

# **Duluth Public Schools**

Independent School District #709

Duluth, Minnesota

## **FINANCIAL STATEMENTS**

*Year Ended June 30, 2009*



**DULUTH  
PUBLIC  
SCHOOLS**

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## Independent Auditor's Report

November 30, 2009

To the School Board  
Independent School District No. 709  
Duluth, Minnesota

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. 709, Duluth, Minnesota (District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2009, 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* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

*Eikel & Schilling, Ltd.*

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

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**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

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**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

ORGANIZATION  
JUNE 30, 2009

School Board Directors

		<u>Term Expires</u>
Tim Grover	Chairperson	12/31/2011
Laura Condon	Vice Chairperson	12/31/2009
Nancy Nilsen	Clerk of the Board	12/31/2009
Judy Seliga Punyko	Treasurer	12/31/2011
Mary Cameron		12/31/2009
Gary Glass		12/31/2011
Ann Wasson		12/31/2009

Ex Officio Members

Superintendent  
Keith Dixon, Appointed July, 2005  
Deputy Clerk  
William Hanson, Appointed July, 2003

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 709 – DULUTH PUBLIC SCHOOLS**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2009**

As management of Independent School District No. 709 (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, 2009.

**FINANCIAL HIGHLIGHTS**

- The District continues to meet its fund balance policy goal of 10% of unrestricted expenditures from selected funds.
- The District’s total net assets of governmental activities increased \$1.9 million, versus 2008, primarily due to the value of new facilities plan assets acquired with debt obtained in FY 2008.
- General revenues accounted for \$97.0 million, or 72% of all fiscal year 2009 revenues. This represents an increase of \$10.2 million versus the prior year. Program specific revenues of \$38.1 million (charges for services, grants and contributions) accounted for 28% of total fiscal 2009 revenues. This represents an increase of \$1.9 million versus the prior year.
- The District spent approximately \$133.1 million on governmental activities. This represents an increase of \$6.0 million (equal to 4.7%) versus prior year. The increase results from an increase in grant-related and debt-related (facilities plan) expenditures.
- Among major funds, the General fund had \$101.9 million in revenues, consisting mainly of state aids and local property taxes, and \$104.7 million in expenditures. This deficit of \$2.8 million was \$0.3 million more than the prior year.
- General Fund spending was \$2.3 million less than the revised budget of \$107.1 million. Approximately \$1.6 million of the budget relates to open purchase orders, school budgets and referendum spending that will be carried over to FY 2010.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of the annual report consists of four parts – Independent Auditor’s Report, Required Supplementary Information which includes the Management’s Discussion and Analysis (this section), the Basic Financial Statements, and Supplemental Information. The District’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.



**Government-wide financial statements.** The *government-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 assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets 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 compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services.

**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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows 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 the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of 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*.

**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 government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A budgetary comparison statement has been provided for the General fund as required supplementary information.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the major budgetary comparisons.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$1.7 million as of June 30, 2009. This increase reverses the decrease realized last year, and marks the fifth gain in the past six years.

### Duluth Public Schools Statement of Net Assets As of June 30,

	2009	2008	Total Percentage Change 2008- 2009
Current and Other Assets	\$209,546,067	\$228,543,132	(8.3%)
Capital Assets	<u>57,485,461</u>	<u>33,208,556</u>	73.1%
<b>Total Assets</b>	\$267,031,528	\$261,751,688	2.0%
Long-term Liabilities	\$218,282,136	\$222,832,160	(2.0%)
Other Liabilities	<u>47,087,554</u>	<u>39,171,191</u>	20.2%
<b>Total Liabilities</b>	\$265,369,690	\$262,003,351	1.3%
Net Assets/(Liabilities)			
Invested in capital assets, net of related debt	\$20,118,937	\$(157,416,371)	112.8%
Restricted	1,752,187	936,639	87.1%
Unrestricted	<u>(20,209,286)</u>	<u>156,228,069</u>	(112.9%)
<b>Total Net Assets/(Liabilities)</b>	<u>\$1,661,838</u>	<u>\$(251,663)</u>	760.3%

District Assets of \$267.0 million include \$147.5 million in restricted cash, (for the facilities plan) \$57.5 million in undepreciated capital assets, \$30.1 million in unrestricted cash, property tax and state aid receivables of \$31.5 million and \$0.4 million in other assets.

District Liabilities of \$265.4 million include \$212.1 million in Long-term Debt (facilities plan), \$6.2 million for the current portion of long-term debt, \$25.3 million due to employees and vendors for expenditures incurred but not paid as of fiscal year-end, \$21.1 million for revenues collected for future fiscal years and \$0.7 million in other liabilities.

**Duluth Public Schools  
Change in Net Assets  
For the Year ended June 30,**

	<u>2009</u>	<u>2008</u>	Total % Change 2008- <u>2009</u>
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$5,438,499	\$5,700,499	(4.6%)
Operating grants and contributions	32,609,681	30,490,473	7.0%
General Revenues:			
Property taxes	19,734,452	12,170,010	62.2%
State aids	68,774,726	69,998,604	(1.7%)
Other	<u>8,493,675</u>	<u>4,589,556</u>	85.1%
<b>Total Revenues</b>	<b>\$135,051,033</b>	<b>\$122,949,142</b>	<b>9.8%</b>
 <b>Expenses:</b>			
Administration	\$5,087,502	\$5,614,495	(9.4%)
District support services	3,029,097	3,805,268	(20.4%)
Elementary and secondary regular instruction	52,277,921	55,204,000	(5.3%)
Vocational education instruction	2,321,430	2,212,451	4.9%
Special education instruction	22,600,851	21,191,674	6.6%
Instructional support services	3,894,568	5,591,147	(30.3%)
Pupil support services	8,281,791	8,295,260	(0.2%)
Sites and buildings	12,761,094	9,808,175	30.1%
Fiscal and other fixed cost programs	661,841	259,908	154.6%
Food service	3,235,153	3,019,430	7.1%
Community service	11,853,355	9,777,835	21.2%
Interest and fiscal charges on long-term debt	<u>7,132,929</u>	<u>2,330,447</u>	206.1%
<b>Total expenses</b>	<b><u>\$133,137,532</u></b>	<b><u>\$127,110,090</u></b>	<b>4.7%</b>
 <b>Change in net assets (liabilities)</b>	 <b><u>\$1,913,501</u></b>	 <b><u>(\$4,160,948)</u></b>	 <b><u>146.0%</u></b>
 <b>Beginning of year net assets (liabilities)</b>	 <b><u>(\$251,663)</u></b>	 <b><u>\$3,909,285</u></b>	 <b><u>(106.4%)</u></b>
<b>End of year net assets (liabilities)</b>	<b><u>\$1,661,838</u></b>	<b><u>(\$251,663)</u></b>	<b><u>760.3%</u></b>

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

### **GENERAL FUND**

As planned, the General Fund fund balance decreased \$2.8 million as follows:

Unreserved / undesignated fund balance was unchanged at \$7.1 million. The District continues to meet the goals established by its policy on fund balance.

Designated fund balances decreased by \$1.5 million, due to a \$0.6 million decrease in student transportation funds, along with a \$0.3 million decrease in both operating capital and severance-insurance premium funds, a \$0.1 decrease in school carryover funds, a \$0.2 million decrease in textbooks and \$0.1 million decrease in referendum expenditures. These reductions were partially offset by an increase of \$0.1 million in student activity funds.

Reserved fund balances decreased by \$1.3 million due primarily to a decrease in the reserve for severance pay of \$0.9 million. This reserve has been eliminated by the Minnesota Department of Education and will not be allowed effective with the June 30, 2010 fiscal year. Other notable fund balance reductions included the operating capital reserve of \$0.2 million, the cooperative revenue reserve of \$0.1 million, and the gifted and talented reserve of \$0.1 million.

### **BUDGET REVISIONS**

General fund (which includes the District's general, transportation and capital funds) adopted revenue budget of \$99.0 million was revised upward to \$103.9 million as a result of a \$1.2 million increase in Title program budgets, an increase of \$1.1 million in additional revenues and grants for special education, a \$1.0 million increase in technology revenues and refunds and a \$0.9 million increase for grants related to student and curriculum support.

General fund adopted expenditure budget of \$99.6 million was increased by \$7.5 million to \$107.1 million. In addition to the \$4.2 million of items identified in the preceding paragraph, there was \$2.4 million of budget carryover from the prior year.

### **VARIANCES TO FINAL REVISED BUDGET**

General fund revenues were \$2.0 million less than the revised budget (a difference of 1.9%). This represents grant revenues that will be realized in FY 2010.

General fund spending was \$2.3 million less than the revised budget. Grants and restricted programs spending was approximately \$0.7 million less than revised budget, and these funds will be carried over and rebudgeted in fiscal 2010. Nearly \$1.6 million of unspent funds for open purchase orders, school budgets, staff development, and referendum spending will also be carried over into fiscal 2010.

## **CAPITAL ASSETS**

In fiscal 2009, the District acquired \$26.2 million of new capital assets, reflecting the impact of our Long Range Facilities Plan. Large items included ongoing facilities improvements, school bus purchases, and technology equipment. Depreciation of \$1.8 million was taken on existing items. As of June 30, 2009, the district had capital items costing \$87.2 million, which had an undepreciated value of \$57.5 million. Most of the capital investment is in buildings and equipment.

## **LONG-TERM LIABILITIES**

At year-end, the district had \$184.9 million of outstanding bonds payable and certificates of participation. This reflects a decrease of \$5.7 million versus the principal amount of \$190.6 million due in 2008. This amount will increase in the future as a result of the Long Range Facilities Plan. Two additional debt issues are anticipated for FY 2010 (with a planned total of approximately \$107 million). The District's debt rating from Moody's continues at A2. State statute limits the District's debt to 15% of the fair market value of property in the District. This sets the District debt limit at approximately \$962.8 million as of June 30, 2009.

The remainder of long-term liabilities is the \$33.4 million recognized for severance benefits and other post-employment benefits (OPEB). This represents an increase of \$1.2 million versus prior year.

## **ECONOMIC AND BUDGETARY FACTORS**

Factors affecting the District's future financial condition include the following:

Declining enrollment – as the population of school-age children residing in the District declines, District revenues decline, as most of our funding is based on the number of pupils served in the District.

School choice – in addition to population decline, more residents have chosen educational options other than the District. Increases in charter schools, home schooling and private school enrollment has contributed to pupil and corresponding revenue loss.

State Budget – the current economic forecast for the state of Minnesota is more negative than in the recent past. Since K-12 education makes up over 40% of state spending and because State revenues account for over 71% of the District's General revenues, the District may well be impacted by decisions made relative to education spending.

Medical Insurance – premiums continue to increase at significant rates, due to increased utilization of prescription drugs and medical services. Premium rates have nearly doubled in the last 6 years, despite efforts to curtail the increases (bidding, changes in co-pays).

Retiree benefits (severance) – this large liability exceeds the amounts currently set aside to pay these benefits upon retirements. This may impact the General fund, as interest earned on any invested funds will accrue to the trust for severance and not be available as General fund revenue.

## **DISTRICT FINANCIAL CONTACT**

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives and utilizes. Should you have questions about this report, or need additional information, please contact:

Bill Hanson, CFO Executive Director of Business Services, ISD #709  
215 N. 1<sup>st</sup> Avenue East, Duluth, MN 55802  
or call 218-336-8704

# **BASIC FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Exhibit 1**

**Statement of Net Assets  
June 30, 2009**

	Governmental Activities
<b>Assets</b>	
Cash and temporary investments	\$ 30,146,230
Receivables	
Taxes	15,266,398
Accounts and interest receivable	4,361,023
Due from other governmental units	11,856,159
Inventory	287,056
Prepayments	90,652
Restricted assets	
Cash and investments for debt service	73
Cash and investments for capital projects	147,538,476
Capital assets, net of depreciation	
Capital assets not being depreciated	26,602,574
Capital assets being depreciated	30,882,887
<b>Total assets</b>	<b>\$ 267,031,528</b>
<b>Liabilities</b>	
Salaries payable	\$ 13,394,212
Accounts and contracts payable	7,893,238
Accrued interest payable	3,259,709
Due to other funds	234,119
Due to other governmental units	65,456
Compensated absences	394,781
Unearned revenue	233,799
Taxes levied for subsequent years' expenditures	20,879,262
Unamortized premium and discount, net	732,978
Long term liabilities	
Due within one year	6,155,325
Due in more than one year	212,126,811
<b>Total liabilities</b>	<b>\$ 265,369,690</b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	\$ 20,118,937
Restricted for:	
Debt service payments	1,752,187
Unrestricted	(20,209,286)
<b>Total Assets</b>	<b>\$ 1,661,838</b>
<b>Total liabilities and net assets</b>	<b>\$ 267,031,528</b>



**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Statement of Activities  
For the Year Ended June 30, 2009**

Functions/Programs	Expenses
Government Activities	
Administration	\$ 5,087,502
District Support Services	3,029,097
Regular Instruction	52,277,921
Vocational Education Instruction	2,321,430
Special Education Instruction	22,600,851
Instructional Support Services	3,894,568
Pupil Support Services	8,281,791
Sites and Buildings	12,761,094
Fiscal and Other Fixed Cost Programs	661,841
Food Service	3,235,153
Community Service	11,853,355
Interest and Fiscal Charges on Long Term Debt	7,132,929
Total Governmental Activities	<u>\$ 133,137,532</u>

Exhibit 2

Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
\$	\$ 205,767	\$	\$ (4,881,735)
			(3,029,097)
2,703,342	3,714,408		(45,860,171)
22,363	424,554		(1,874,513)
289,848	12,669,527		(9,641,476)
152,712	1,985,508		(1,756,348)
	1,534,764		(6,747,027)
26,345	168,064		(12,566,685)
			(661,841)
1,241,359	2,065,894		72,100
1,480,818	9,388,759		(983,778)
	609,000		(6,523,929)
<u>\$ 5,916,787</u>	<u>\$ 32,766,245</u>	<u>\$</u>	<u>\$ (94,454,500)</u>
General Revenues			
Taxes			
Property Taxes, levied for General Purposes			\$ 9,149,182
Property Taxes, levied for Community Service			642,277
Property Taxes, levied for Debt Service			9,942,993
State aid-formula grants			68,618,162
Other general revenues			1,228,657
Investments Earnings			6,786,730
Total General Revenues			<u>\$ 96,368,001</u>
Change in net assets			\$ 1,913,501
Net liabilities - beginning			<u>(251,663)</u>
Net assets - ending			<u>\$ 1,661,838</u>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Balance Sheet  
GOVERNMENTAL FUNDS  
June 30, 2009**

	General	Capital Projects
<b><u>Assets</u></b>		
Cash and investments	\$ 22,691,118	\$ 147,538,476
Cash and investments with fiscal agent		
Taxes and credits receivable	7,311,752	
Accounts and interest receivable	193,594	4,158,601
Due from		
Other funds	81,250	
Other Minnesota school districts	686,790	
Department of Education	7,441,077	16,806
Federal through Department of Education	2,008,284	
Federal - direct	9,040	
Other governmental units	59,344	
Inventory	173,476	
Prepayments	89,632	
	<b>\$ 40,745,357</b>	<b>\$ 151,713,883</b>
<b>Total Assets</b>	<b>\$ 40,745,357</b>	<b>\$ 151,713,883</b>

Exhibit 3

Debt Service	Other Funds	Total Government Funds
\$ 6,492,392	\$ 962,720	\$ 177,684,706
73		73
7,314,305	640,341	15,266,398
	8,828	4,361,023
		81,250
		686,790
278,634	421,318	8,157,835
	122,775	2,131,059
	806,351	815,391
	5,740	65,084
	113,580	287,056
	1,020	90,652
<b>\$ 14,085,404</b>	<b>\$ 3,082,673</b>	<b>\$ 209,627,317</b>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Balance Sheet  
GOVERNMENTAL FUNDS  
June 30, 2009**

	General	Capital Projects
<b><u>Liabilities</u></b>		
Salaries payable	\$ 12,785,622	\$ 1,775
Accounts payable	649,989	946,817
Due to		
Other funds	145,677	81,250
Other Minnesota school districts	63,620	
Other governmental units	1,836	
Claims payable	122,679	
Construction contracts		5,733,237
Deferred revenue	607,833	
Taxes levied for subsequent years' expenditures	7,786,236	
<b>Total Liabilities</b>	<b>\$ 22,163,492</b>	<b>\$ 6,763,079</b>

**Exhibit 3  
(Continued)**

<u>Debt Service</u>	<u>Other Funds</u>	<u>Total Government Funds</u>
\$	\$ 606,815	\$ 13,394,212
	440,516	2,037,322
	88,442	315,369
		63,620
		1,836
		122,679
		5,733,237
263,331	42,642	913,806
<u>12,069,886</u>	<u>1,023,140</u>	<u>20,879,262</u>
<b><u>\$ 12,333,217</u></b>	<b><u>\$ 2,201,555</u></b>	<b><u>\$ 43,461,343</u></b>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Balance Sheet  
GOVERNMENTAL FUNDS  
June 30, 2009**

	General	Capital Projects
<b>Fund Balance (Deficit)</b>		
Reserved for		
Basic skills programs	\$ 181,651	\$
Encumbrances		33,946,765
Inventory	173,476	
Gifted and talented	9,595	
School readiness		
Operating capital	2,142,492	
Prepayments	89,632	
Severance pay	2,000,000	
Staff development	500,410	
Community education		
Adult basic education		
Early childhood family education		
Alternative facility program		2,503,162
Projects funded by Certificates of Participation		87,812,507
Designated for		
Desegregation	40,882	
Operating capital	600,000	
Referendum expenditures	46,700	
School carryover	991,397	
Severance-insurance premiums	2,499,511	
Student activities	1,210,908	
Student transportation	969,039	
Unreserved-undesignated		
General	7,126,172	
Debt service		
Food service		
Community services		
Capital projects		20,688,370
<b>Total Fund Balance</b>	<b>\$ 18,581,865</b>	<b>\$ 144,950,804</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 40,745,357</b>	<b>\$ 151,713,883</b>

**Exhibit 3  
(Continued)**

<u>Debt Service</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$ 181,651
		33,946,765
	113,580	287,056
		9,595
	46,916	46,916
		2,142,492
	1,020	90,652
		2,000,000
		500,410
	184,038	184,038
	69,811	69,811
	187,329	187,329
		2,503,162
		87,812,507
		40,882
		600,000
		46,700
		991,397
		2,499,511
		1,210,908
		969,039
		7,126,172
1,752,187		1,752,187
	381,418	381,418
	(102,994)	(102,994)
		20,688,370
<u>\$ 1,752,187</u>	<u>\$ 881,118</u>	<u>\$ 166,165,974</u>
<u>\$ 14,085,404</u>	<u>\$ 3,082,673</u>	<u>\$ 209,627,317</u>



**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Exhibit 4**

**Reconciliation of the Balance Sheet to the  
Statement of Net Assets  
Governmental Funds  
June 30, 2009**

Total fund balances - governmental funds	\$ 166,165,974
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	87,246,790
Less: accumulated depreciation	(29,761,329)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of:	
Bond principal payable	(72,910,000)
Certificates of participation	(111,995,000)
Long-term liabilities, including severance payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
	(31,815,699)
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
	(394,781)
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 deferred in the funds.	
	680,007
Governmental funds do not report a liability for accrued interest until due and payable.	
	(3,259,709)
Changes in net other post-employment benefits obligations are reported only in the statement of activities.	
	(1,561,437)
Governmental funds report debt issuance premiums and discounts as an other financing source or use at the time of issuance. Premiums and discounts are reported as an unamortized asset or liability in the District-wide financial statements.	
	<u>(732,978)</u>
Total net assets (liabilities) - governmental activities	<u>\$ 1,661,838</u>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2009**

	General	Capital Projects
<b>Revenues</b>		
Local property tax levies	\$ 9,044,463	\$
Interest income	962,685	5,824,045
Other local and county	4,237,313	
State sources	80,242,359	168,064
Federal sources	6,885,703	
Sales and other conversions of assets	563,590	
<b>Total Revenues</b>	<b>\$ 101,936,113</b>	<b>\$ 5,992,109</b>
<b>Expenditures</b>		
Administration	\$ 4,996,497	\$
District support services	1,864,476	
Regular instruction	51,047,288	
Vocational instruction	2,305,448	
Special education instruction	22,522,598	
Community education and services		
Instructional support services	3,826,429	
Pupil support services	7,944,143	
Sites, buildings and equipment	8,688,908	527,613
Fiscal and other fixed cost programs	236,694	425,147
Debt service		
Principal		
Interest and fiscal charges		
Capital outlay	1,300,050	28,386,234
<b>Total Expenditures</b>	<b>\$ 104,732,531</b>	<b>\$ 29,338,994</b>
<b>Net change in fund balance</b>	<b>\$ (2,796,418)</b>	<b>\$ (23,346,885)</b>
<b>Fund Balance</b>		
<b>Beginning of Year</b>	<b>21,378,283</b>	<b>168,297,689</b>
<b>End of Year</b>	<b>\$ 18,581,865</b>	<b>\$ 144,950,804</b>

Exhibit 5

Debt Service	Other Funds	Total Governmental Funds
\$ 9,708,108	\$ 695,279	\$ 19,447,850
		6,786,730
	1,484,818	5,722,131
2,786,341	2,367,954	85,564,718
	9,086,699	15,972,402
	1,237,359	1,800,949
<u>\$ 12,494,449</u>	<u>\$ 14,872,109</u>	<u>\$ 135,294,780</u>
		4,996,497
		1,864,476
		51,047,288
		2,305,448
		22,522,598
	11,182,628	11,182,628
		3,826,429
	3,233,841	11,177,984
		9,216,521
		661,841
5,720,000		5,720,000
5,958,901		5,958,901
	655,650	30,341,934
<u>\$ 11,678,901</u>	<u>\$ 15,072,119</u>	<u>\$ 160,822,545</u>
\$ 815,548	\$ (200,010)	\$ (25,527,765)
<u>936,639</u>	<u>1,081,128</u>	<u>191,693,739</u>
<u>\$ 1,752,187</u>	<u>\$ 881,118</u>	<u>\$ 166,165,974</u>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Exhibit 6**

**Reconciliation of the Statement of  
Revenues, Expenditures, and Changes in Fund Balance  
to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2009**

Total net changes in fund balances - governmental funds	\$ (25,527,765)
Amounts reported for governmental activities in the statement of activities are different because:	
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 outlays	26,274,038
Disposal of capital assets	(173,724)
Depreciation expense	(1,823,409)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	5,720,000
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.	(1,704,777)
Net amortization of premiums and discounts.	400
Payment of severance and post-employment benefits is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	(1,169,976)
Payment of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	32,112
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditure and therefore are deferred in the funds.	<u>286,602</u>
Change in net assets - governmental activities	<u>\$ 1,913,501</u>

INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA

Exhibit 7

**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2009**

	<u>Federal Employee Benefit Trust</u>	<u>Private- Purpose Funds</u>	<u>Agency Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,467,870	\$ 150,482	\$ 91,573
Due from other funds	234,119		
<b>Total Assets</b>	<u>\$ 1,701,989</u>	<u>\$ 150,482</u>	<u>\$ 91,573</u>
<b>Liabilities</b>			
Accounts payable	\$	\$	\$ 80,124
Deferred revenue		5,000	11,449
<b>Total Liabilities</b>	<u>\$</u>	<u>\$ 5,000</u>	<u>\$ 91,573</u>
<b>Net Assets</b>			
Reserved for endowment	\$	\$ 128,403	\$
Reserved for clock tower		17,079	
Reserved for retirees	1,701,989		
Unreserved - undesignated			
<b>Total Net Assets</b>	<u>\$ 1,701,989</u>	<u>\$ 145,482</u>	<u>\$</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,701,989</u>	<u>\$ 150,482</u>	<u>\$ 91,573</u>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Exhibit 8**

**Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2009**

	<u>Federal Employee Benefit Trust</u>	<u>Private- Purpose Funds</u>
<b>Additions</b>		
Miscellaneous	\$ 234,119	\$ 19,000
Investment earnings		
Interest	<u>41,613</u>	<u>5,724</u>
Total Additions	<u>\$ 275,732</u>	<u>\$ 24,724</u>
<b>Deductions</b>		
Benefits	\$ 204,742	\$
Pupil support services		<u>33,952</u>
Total Deductions	<u>\$ 204,742</u>	<u>\$ 33,952</u>
Changes in Net Assets	\$ 70,990	\$ (9,228)
Net Assets - Beginning	<u>1,630,999</u>	<u>154,710</u>
Net Assets - Ending	<u><u>\$ 1,701,989</u></u>	<u><u>\$ 145,482</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**1. Summary of Significant Accounting Policies**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The District is an instrumentality of the State of Minnesota established to function as an educational institution. The Board of Education consists of elected officials and is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board of Education and is responsible for administrative control of the District.

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

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

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

The financial transactions of student activities are included in the financial statements. Student activities are established by various student organizations (which have District employees as advisors). Amounts are usually generated and spent at the discretion of the student organizations and faculty advisors. The School Board has chosen to directly control the activities.

Basic Financial Statement Presentation

The district-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District except for the fiduciary funds. The Fiduciary Funds are only reported in the Statements of Fiduciary Net Assets at the fund financial statement level.

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. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational; or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**1. Summary of Significant Accounting Policies (Continued)**

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

Separate fund financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregate information for the remaining non-major governmental funds is reported in a single column in the fund financial statements.

The fiduciary funds are presented in the fiduciary fund financial statements by type (pension and agency). Since, by definition, these assets are being held for the benefit of a third party (private parties, severance obligations, etc.) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the district-wide statements.

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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 advance recognized in accordance with a statutory "tax shift". Grants and similar items are recognized when 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. Under this basis of accounting transactions are recorded in the following manner:

1. Revenue Recognition – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other revenue is considered available if collected within one year.
  
2. Recording of Expenditures – Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.



**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. Summary of Significant Accounting Policies (Continued)**

Basis of Presentation

The District has established funds to account for and segregate the financial consequences of its various activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and by how such activities are controlled. Descriptions of the funds included in this report are as follows:

***Major Governmental Funds***

The General Fund of the District accounts for administration, kindergarten through 12<sup>th</sup> grade instruction, transporting students to and from school, purchases of land, buildings, improvements, equipment, and textbooks, major repairs, activities and other costs to the District and related revenues.

The Capital Projects Fund accounts for construction of facility additions financed by levy or bonds.

The Debt Redemption Debt Service Fund accounts for the retirement of bonds issued for kindergarten through 12<sup>th</sup> grade projects and payments of related interest. The assets of this fund are legally restricted to the aforementioned purpose.

***Non-major Governmental Funds***

The Food Service Fund accounts for meals provided to students.

The Community Services Fund accounts for instruction of persons not in kindergarten through 12<sup>th</sup> grades.

***Fiduciary Funds***

The Private Purpose Funds account for principal and unexpended earnings of the Miller Memorial Playground endowment and the Clock Tower endowment.

Federal employee benefit trust accounts for employees' severance for federally funded programs.

The Agency Funds account for assets held for employees and other agencies.

Budget Policies and Basis

The School Board is responsible for the budget and for the District's financial performance against the budget. District employees prepare a proposed budget on the modified accrual basis of accounting. The budget is amended and approved by the Board before the beginning of the fiscal year as required by Minn. Stat. § 123.B.77, subd. 4. The Board reviews the District's financial progress against the budget regularly throughout the year.

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**1. Summary of Significant Accounting Policies (Continued)**

Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control for all funds of the District. For each fund for which a formal budget is adopted, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of accounting principles generally accepted in the United States of America.

Reported budget amounts represent the originally adopted budget as amended. Expenditures in excess of the budget require approval of the School Board. Employees report significant deviations from budget line amounts to the Board as they are recognized throughout the year. The annual budget is not legally binding on the District unless the District has a total deficit in its K-12 general and operating funds that exceed 2.5 percent of expenditures. The budget is adopted through passage of a resolution. The School Board must approve revisions that alter total expenditures of any fund without offsetting revenues.

Cash and Investments

Cash and investments of the individual funds are combined to form a pool, except for the fiduciary funds, and are invested to the extent available in securities as authorized by state law. Investment income is reported in the General, Capital, and Fiduciary Funds. Funds with negative cash balances are not charged interest. Certificates of deposits and securities of the U.S. government and its agencies are recorded at fair value, based on quoted market price. External investment pools and money market funds are recorded at fair value, based on the fair value of the position in the pool. The annuity contract is recorded at cost.

Receivable

Amounts due from individuals and organizations are recorded as receivables at year-end. Receivables are shown net of an allowance for uncollectible accounts. At **June 30, 2009**, the allowance for uncollectible accounts was \$45,862. The only receivables not expected to be collected within one year are current and delinquent property taxes receivable.

Inventory

General Fund inventory includes instructional and other materials held in the central storeroom. Inventory in the Food Service Fund consists of food and supplies. The General Fund central storeroom inventory is priced using the weighted average method. All inventories are accounted for using the consumption method. Under the consumption method, expenditures are recognized when inventory is used rather than when purchased. Food and supplies are valued at cost on a first-in, first-out basis.

Prepayments

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are reported using the consumption method and recorded as an expenditure at the time of consumption.

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**1. Summary of Significant Accounting Policies (Continued)**

Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported only in the district-wide financial statements.

Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$5,000 or more for capitalizing capital assets. Capital assets are recorded in the district-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives, ranging from five to fifty years.

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

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District records a liability for earned but unpaid vacation. Unpaid sick leave does not vest and therefore is not accrued. Sick pay is recognized when paid and unused balances are used in severance calculations.

Long-term Liabilities

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. That portion of the fund balance not reserved is reported as unreserved fund balance, and is available for budgeting in future periods. Fund balance designations represent that portion of fund balance the District has set aside for planned future expenditures.

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**1. Summary of Significant Accounting Policies (Continued)**

Variance from State Reporting Requirements

Inventory – The Minnesota Department of Education has not defined a reserve for inventory account in its Uniform Financial Accounting and Reporting Standards (UFARS). However, the District has reported a reserve for inventory of \$287,056 on the combined balance sheet in accordance with accounting principles generally accepted in the United States of America.

Prepayments – The Minnesota Department of Education has not defined a reserve for prepayments account in its UFARS. However, the District has reported a reserve for prepayments of \$90,652 on the combined balance sheet in accordance with accounting principles generally accepted in the United States of America.

Net Assets

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

Property Taxes

The property tax calendar in Minnesota follows the calendar year. Taxes are levied in December of the year prior to collections and become a lien on January 1 based on the School Board's certification and property values as of the previous January 1. Taxes are due May 15 and October 15 to the county as agent for the District. The county remits taxes to the District in June, November, and January.

**2. Cash and Investments**

Deposits

Minn. Stat. § 118A.04 authorizes the District to deposit its cash and to invest in financial institutions designated by the District's Board. Minnesota statutes require that all District deposits be covered by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes: treasury bills, notes and bonds; issues of U.S. Government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**2. Cash and Investments (Continued)**

Investments

Minn. Stat. § 118A.04 and 118A.05 generally authorizes the following types of investments as available to the District:

- (1) Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by subd. 6;
- (2) Shares of a Minnesota joint powers investment trust or shares of an investment company that is registered under the Federal Investment Company Act of 1940 pursuant to the restrictions of Minn. Stat § 118A.05 subd. 4;
- (3) General obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota or other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) Time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers' acceptances of United States banks;
- (5) Commercial paper issued by United States corporations, or their Canadian subsidiaries, that is of the highest quality and matures in 270 days or less;
- (6) Guaranteed investment contracts (gic's) issued or guaranteed by United States commercial banks, or domestic branches of foreign banks, or United States insurance companies, if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories;
- (7) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers; and
- (8) Securities lending agents under the provisions of Minn. Stat. § 118A.05 subd.3.

The Minnesota School District Liquid Asset Fund (MSDLAF) and the Mn Trust are external investment pools not registered with the Securities and Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The fair value of the position on the pool is the same as the value of the pool shares.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rates that will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The District has the following investments at [June 30, 2009](#):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Yr</u>	<u>1-3 Years</u>	<u>Over 3 Years</u>
Government Agencies	\$ 28,969,139	\$ 9,135,435	\$ 15,864,935	\$ 3,968,769
External Investment Pool	13,460,548	13,460,548		
Money Market Funds	360,233	360,233		
Annuity Contract	1,467,870	1,467,870		
Negotiable CD's	133,030,964	54,643,507	68,877,374	9,510,083
<b>Total Investments</b>	<b>\$ 177,288,754</b>	<b>\$ 79,067,593</b>	<b>\$ 84,742,309</b>	<b>\$ 13,478,852</b>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**2. Cash and Investments (Continued)**

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the District's policy to invest only in securities that meet the ratings requirements set by state statute.

The District's exposure to credit risk as of **June 30, 2009** is as follows:

<u>S&amp;P or Moody's Rating</u>	<u>Fair Value</u>
AAA	\$ 28,969,140
Aaa	13,460,548
Not rated	134,859,066
Total	<u>\$ 177,288,754</u>

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 the investment or collateral securities that are in the possession of an outside party. At **June 30, 2009**, none of the District's investments were subject to custodial credit risk.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District places no limit on the amount the District may invest in any one issuer. Investments in any one issuer (excluding mutual funds and internal investment pools) that represents five percent or more of the District's investments are as follows:

<u>Issuer</u>	<u>Amount</u>
Federal National Mortgage Association	\$ 12,888,838
First American Government Obligation	9,222,072
Key Bank	86,080,746
Citibank	26,971,000

The District's total cash and investments as of June 30, 2009 are as follows:

Petty Cash	\$ 4,625
Deposits	2,101,325
Investments	<u>177,288,754</u>
	<u>\$ 179,394,704</u>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**2. Cash and Investments (Continued)**

The District's total cash and investments as of June 30, 2009 are presented in the basic financial statements as follows:

Statement of Net Assets	
Cash and temporary investments	\$ 30,146,230
Restricted Assets:	
Cash and investments for debt service	73
Cash and investments for capital projects	147,538,476
Statement of Fiduciary Net Assets	
Cash and Cash Equivalents	
Federal Employee Benefit Trust	1,467,870
Private Purpose Funds	150,482
Agency Funds	<u>91,573</u>
Total Cash and Investments	<u>\$ 179,394,704</u>

**3. Taxes and Credits Receivable**

Current taxes and credits receivable represent the uncollected balance of the 2008 levy, collectible in 2009, including related state property tax relief aid. Delinquent taxes receivable represent taxes due from levies of the prior six years. At June 30, 2009, property taxes and credits receivable consisted of:

<u>Fund</u>	<u>Current</u>	<u>Delinquent</u>	<u>Total</u>
General	\$ 6,937,718	\$ 374,034	\$ 7,311,752
Community Services Fund	597,699	42,642	640,341
Debt Redemption Debt Service	<u>7,050,974</u>	<u>263,331</u>	<u>7,314,305</u>
Total	<u>\$ 14,586,391</u>	<u>\$ 680,007</u>	<u>\$ 15,266,398</u>

**4. Inventory**

Inventory at June 30, 2009, consisted of:

General Fund - Supplies	\$ 173,476
Food Service Fund - food	113,580
Total	<u>\$ 287,056</u>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**5. Capital Assets**

A summary of the changes in capital assets is as follows:

	Balance June 30, 2008	Additions	Disposals	Balance June 30, 2009
Capital assets, not being depreciated				
Land	\$ 1,475,893	\$	\$ (88,336)	\$ 1,387,557
Constr. work in proc.	5,995,304	25,215,017	(5,995,304)	25,215,017
Total capital assets, not being depreciated	<u>\$ 7,471,197</u>	<u>\$ 25,215,017</u>	<u>\$ (6,083,640)</u>	<u>\$ 26,602,574</u>
Capital assets, being depreciated				
Land improvements	\$ 6,007,994	\$	\$	\$ 6,007,994
Buildings	40,813,935	6,553,071	(60,050)	47,306,956
Furniture & Equipment	7,911,966	589,590	(1,172,290)	7,329,266
Total capital assets, being depreciated	<u>\$ 54,733,895</u>	<u>\$ 7,142,661</u>	<u>\$ (1,232,340)</u>	<u>\$ 60,644,216</u>
Less: Accumulated Depreciation	<u>(28,996,536)</u>	<u>(1,823,409)</u>	<u>1,058,616</u>	<u>(29,761,329)</u>
Capital assets, being depreciated, net	<u>\$ 25,737,359</u>	<u>\$ 5,319,252</u>	<u>\$ (173,724)</u>	<u>\$ 30,882,887</u>
Total capital assets, net of depreciation	<u><u>\$ 33,208,556</u></u>	<u><u>\$ 30,534,269</u></u>	<u><u>\$ (6,257,364)</u></u>	<u><u>\$ 57,485,461</u></u>

Depreciation expense was charged to governmental functions as follows:

Administration	\$ 89,710
District Support Service	266,210
Elem/Sec Regular Instruction	17,822
Vocational Education Instruction	3,860
Special Education Instruction	5,712
Community Education and Service	16,389
Instructional Support Services	4,341
Pupil Support Services	249,214
Sites and Buildings	1,170,151
<b>Total</b>	<u><u>\$ 1,823,409</u></u>



**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**6. Lease Obligations**

Operating Leases

The District is committed under various operating leases for building space, parking facilities, and equipment. Rent expense for the year ended June 30, 2009, was \$452,628.

Future minimum lease payments under operating leases, which are not reflected in these financial statements, consist of the following at June 30, 2009:

<u>Year Ending June 30</u>		
2010	\$	453,772
2011		207,792
2012		45,435
2013		5,088
2014		5,088
Total	\$	<u>717,175</u>

**7. Long-Term Liabilities**

Certificates of Participation

On November 1, 2001, the District issued \$5,885,000 in Refunding Certificates of Participation 2001 bonds to refund in advance the 2005 through 2015 maturities totaling \$4,645,000 beginning March 1, 2002 through the March 1, 2005 call date. The debt is secured by the title to the land and a security interest in all project equipment or other property.

On June 1, 2008, the District issued \$111,440,000 Full Term Certificates of Participation, Series 2008B due in annual installments of \$2,440,000 to \$10,385,000 plus 3.50 to 5.00 percent interest from February 1, 2009 through February 1, 2028.

2010	\$ 6,684,390	\$ 1,850,000	\$ 4,834,390
2011	7,102,465	2,335,000	4,767,465
2012	8,358,440	3,675,000	4,683,440
2013	8,516,420	3,965,000	4,551,420
2014	8,688,310	4,280,000	4,408,310
2015-2028	<u>133,800,023</u>	<u>95,890,000</u>	<u>37,910,023</u>
Total	<u>\$ 173,150,048</u>	<u>\$ 111,995,000</u>	<u>\$ 61,155,048</u>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**7. Long-Term Liabilities – (Continued)**

The annual requirements to amortize the principal and interest are:  
Bonds Payable

\$13,710,000 General Obligation School Building Refunding Bonds (Series 2001B) due in annual installments of \$300,000 to \$2,080,000 plus 3.5 to 5.0 percent interest from August 1, 2002 through February 1, 2016.	\$ 10,195,000
\$2,180,000 General Obligation School Building Refunding Bonds (Series 2003) due in annual installments of \$250,000 to \$360,000 plus 1.15 to 3.20 percent interest from August 1, 2004 through February 1, 2011.	510,000
\$4,180,000 General Obligation Refunding Bonds (Series 2007) due in annual installments of \$620,000 to \$770,000 plus 3.300 to 3.625 percent interest from August 1, 2008 through February 1, 2014.	3,560,000
\$59,235,000 General Obligation Alternative Facilities Bonds (Series 2008A) due in annual installments of \$590,000 to \$5,200,000 plus 3.500 to 4.625 percent interest from February 1, 2009 through February 1, 2028	<u>58,645,000</u>
 Total	 <u><u>\$ 72,910,000</u></u>

The annual requirements to amortize bonds and interest are:

Year Ended			
June 30	Total	Principal	Interest
2010	\$ 5,894,698	\$ 2,880,000	\$ 3,014,698
2011	5,899,118	2,990,000	2,909,118
2012	5,973,273	3,175,000	2,798,273
2013	5,990,333	3,315,000	2,675,333
2014	5,982,568	3,440,000	2,542,568
2015-2028	<u>77,083,528</u>	<u>57,110,000</u>	<u>19,973,528</u>
 Total	 <u><u>\$ 106,823,518</u></u>	 <u><u>\$ 72,910,000</u></u>	 <u><u>\$ 33,913,518</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**7. Long-Term Liabilities – (Continued)**

Changes in long-term debt for the year ended June 30, 2009, are:

	Balance June 30, 2008	Increase	Payments/ Adjustments	Balance June 30, 2009
Certificates of participation	\$ 114,850,000	\$	\$ 2,855,000	\$ 111,995,000
Bonds payable	75,775,000		2,865,000	72,910,000
OPEB	824,714	1,271,941	535,218	1,561,437
Severance obligation	31,382,446	1,563,532	1,130,279	31,815,699
<b>Total</b>	<b>\$ 222,832,160</b>	<b>\$ 2,835,473</b>	<b>\$ 7,385,497</b>	<b>\$ 218,282,136</b>

Certificates of Participation and bonds are paid from Debt Service Fund. OPEB and severance obligations are paid from the General, Food Service, Community Service, or the Federal Employee Benefit Trust funds

The following is a summary of the current (due in one year or less) and the long-term portion (due in more than one year) of long-term debt as of [June 30, 2009](#):

	Current Portion	Long-term Portion	Total
Certificates of participation	\$ 1,850,000	\$ 110,145,000	\$ 111,995,000
Bonds payable	2,880,000	70,030,000	72,910,000
OPEB		1,561,437	1,561,437
Severance obligation	1,425,325	30,390,374	31,815,699
<b>Total</b>	<b>\$ 6,155,325</b>	<b>\$ 212,126,811</b>	<b>\$ 218,282,136</b>

Legal Debt Margin

The District's legal debt limit is 15% of the fair market value of the property within the District. The District's legal debt margin at [June 30, 2009](#) is approximately \$962,770,695

**8. Compensated Absences**

Vacation and sick leave are earned based on various bargaining unit contracts and length of service as follows:

Teachers	None	10 days per year
Administrative	10 - 25 days per year	10 - 13 days per year
Maintenance	2 - 5 weeks per year	18 days per year
Non-certified	0 - 6 weeks per year	13 - 18 days per year

At [June 30, 2009](#), [\\$394,781](#) has been included in the district-wide financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 709  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**9. Severance Obligations**

Upon retirement, most District employees are entitled to a severance amount based on accumulated unused sick leave, age, years of service and wage rate at date of retirement, as established by contracts with bargaining units or other employment contracts. These contracts establish the terms and amounts each retiree is eligible to receive, and establish when these severance benefits vest, all of which may differ between each bargaining unit and employee group. For some bargaining units, the District remits the lump sum severance benefit to the Minnesota State Retirement System Health Care Savings Plan (HCSP) upon retirement of the employee. These funds will be disbursed in accordance with the HCSP account agreement, which is a separate agreement between the HCSP and the retiree. For the remaining employees, the District pays a portion of the severance benefit to the state HCSP and retains a portion for the employees to use to pay future health insurance premiums. In the governmental fund financial statements, the District has established a reserve fund balance for severance pay in the amount of \$2,000,000. As required by UFARS, the balance of the reserve represents the District's estimate of severance payments to be made in the 2009-2010 school year. Severance is recorded as an expenditure when paid. The retained severance obligation for this benefit is for future health insurance benefits. As allowed by UFARS, the District has designated \$2,499,511 which represents one-half of the total severance obligations for post employment health care benefits.

During 2009, 44 retirees received a total benefit of \$1,130,279. The District funds these expenditures as paid except for the severance for employees of federal programs, which is funded through the Federal Employee Benefit Trust.

Retained severance benefit obligations for retirees	\$ 4,999,022
Retained severance benefit obligations for qualified employees	28,518,666
Total termination benefits payable	\$ 33,517,688
Amount deposited in Federal Employee Benefit Trust Fund	(1,701,989)
 Total	 \$ 31,815,699

**10. Interfund Transactions**

Individual fund receivable and payable balances at June 30, 2009:

	Receivable	Payable
General Fund	\$ 81,250	\$ 145,677
Community Service		88,442
Capital Projects		81,250
Fiduciary Funds		
Federal Employee Benefit Trust	234,119	
Total Funds	\$ 315,369	\$ 315,369

These amounts represent federal severance calculation and interest due.

**INDEPENDENT SCHOOL DISTRICT NO. 709  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**11. Post-Employment Healthcare Plan**

The cost of post-employment benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45, the District recognizes the costs of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the District's future cash flows. The plan does not issue a standalone financial report, but is included in this report of the District.

*Plan Description* – Duluth Public Schools administers a single-employer defined benefit OPEB plan which allows retired employees to remain on the District's plan after severing from the District (implicit rate subsidy) at the retirees expense. The District has no contractual liability to contribute financially toward the retiree's premium.

*Funding* – Employer contribution requirements are established and may be amended as set forth in the applicable employment and bargaining unit agreements. The plan is financed on a pay-as-you-go basis.

*Annual OPEB Cost and Net OPEB Obligation* – Duluth Public School's annual other post-employment 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 amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of Duluth Public Schools' annual OPEB cost for the year, the amount actually contributed to the plan, and changes in Duluth Public Schools' net OPEB obligation as of June 30, 2009:

Annual Required Contribution (ARC)/Annual OPEB Cost	\$ 1,271,941
Contributions made:	
Actuarially determined contribution toward implicit rate portion of the ARC	(535,218)
Increase in OPEB obligation	\$ 736,723
Net OPEB obligation, June 30, 2008	824,714
Net OPEB obligation, June 30, 2009	\$ 1,561,437

Duluth Public Schools' annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
June 30, 2008	\$ 1,311,842	37.13%	\$ 824,714
June 30, 2009	1,271,941	42.08%	1,561,437

**INDEPENDENT SCHOOL DISTRICT NO. 709  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**11. Post-Employment Healthcare Plan – (Continued)**

*Funded Status and Funding Progress* – As of July 1, 2007, the most recent actuarial valuation date, the plan was 100 percent unfunded. The actuarial accrued liability and the unfunded actuarial accrued liability (UAAL) for benefits was \$10,532,000. The covered payroll (annual payroll of active employees covered by the plan) was \$61,239,381, and the ratio of the UAAL to the covered payroll was 17.20 percent.

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

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

In the July 1, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a discount rate of 4 percent, health care trend rates ranging from 10 percent initially, reduced by decrements to an ultimate rate of 5 percent after ten years. The UAAL is being amortized as a level dollar amount over thirty years.

**12. Pension Plans**

Substantially all employees of the District are required by State law to belong to pension plans administered by the Duluth Teachers' Retirement Fund Association (DTRFA) or the Public Employees Retirement Association (PERA).

1. Duluth Teachers' Retirement Fund Association

a. Plan Description

Certified employees of the District are covered by defined benefit plans administered by the DTRFA. DTRFA administers cost sharing, multiple employer retirement plans. These plans are established and administered in accordance with *Minnesota Statutes*, Chapters 354A, 356, 356A, 317A and the Articles of Incorporation and bylaws of the Association.

**INDEPENDENT SCHOOL DISTRICT NO. 709  
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**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**12. Pension Plans – (Continued)**

DTRFA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits vest after three years of credited service and are established by Articles of Incorporation and bylaws, and by State Statute. The defined retirement benefits are based on a member's highest 5-year average salary, age, and years of credit at termination of service.

Association members may be eligible for benefits under three different plans depending on year of hire. Members in all three plans are covered by Social Security.

Old Plan: Covers Association members hired prior to July 1, 1981. Normal retirement benefits are earned at age 60, or age plus service totals 90. Retirement benefits vest after 10 years or age 60. The annual normal retirement benefit is equal to 1.45 percent of the member's high five-year average salary multiplied by the number of years of credited service. Early retirement benefits are available at age 55 with 10 or more years of credited service with a .25 percent per month early retirement deduction under age 60. Old plan members may elect Tier I or Tier II plans if they produce a higher annual retirement benefit.

Tier I Plan: Covers Association members hired or rehired before July 1, 1989. Normal retirement benefits are earned at age 65, or at age 62 with at least 30 years of service, or if age plus service totals 90. Retirement benefits vest after 3 years of service or at age 65. The annual retirement benefit is equal to 1.20 percent for each of the first ten years of service credit and 1.70 percent for each subsequent year of service credit multiplied by the high five successive years average salary. Early retirement benefits are available at age 55 with three or more years of credited service or at any age with 30 or more years of credited service with a .25 percent per month early retirement deduction under the normal retirement age. Tier I Plan members may elect the Tier II Plan if it produces a higher annual retirement benefit.

Tier II Plan: Covers Association members hired or rehired after June 30, 1989. Normal retirement benefits are tied to the Social Security normal retirement age, but in no event is normal retirement age higher than age 66. Retirement benefits vest after 3 years or age 65. The annual normal retirement benefit is equal to 1.70 percent for all years of credited service multiplied by the high five successive years of average salary. Benefits are available as early as age 55 with three or more years of credited service with an actuarial equivalence early retirement reduction under normal retirement age.

Under all plans, members may elect to receive their pension benefits in the form of a single-life annuity, a joint and survivor annuity or a life and term certain annuity, and have the option of electing Social Security actuarial income leveling. Terminating members may receive a refund of their contributions with interest computed at 6 percent or may elect an augmented deferred retirement benefit if retirement benefits have vested.

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**12. Pension Plans – (Continued)**

If active members die prior to the receipt of their first retirement allowance payment, death benefits are payable under each of the three plans. Active members who have not reached normal retirement age and have at least three years of credited service may receive a disability benefit upon becoming permanently disabled.

A guaranteed 2% cost-of-living adjustment (COLA) is payable to eligible benefit recipients each January 1. An additional percentage increase is added to the guaranteed 2% COLA to the extent that five-year annualized investment returns exceed the plans 8.5% actuarially assumed rate of interest, and to the extent that contribution rates are determined to be actuarially sufficient.

DTRFA issues a financial report that includes financial statements and required supplementary information and makes it available to the public by written request to DTRFA, 625 East Central Entrance, Duluth, MN 55811 or by calling (218) 722-2894.

b. Funding Policy

*Minnesota Statutes* Chapter 354A.12 sets the rates for employers and employee contributions. These statutes are established and amended by the state legislature. The District contributions to the pension plans are equal to the amount required by state statutes. DTRFA members are required to contribute 5.50% of their annual covered salary. The District is required to contribute 5.79% of annual covered payroll. The District's contributions for the years ending **June 30, 2009**, 2008, 2007 were \$2,856,787, **\$2,876,790**, and \$2,835,993 respectively equal to the contractually required contributions for each year as set by state statute.

2. Public Employees Retirement Association

a. Plan Description

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

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

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



**INDEPENDENT SCHOOL DISTRICT NO. 709  
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NOTES TO THE FINANCIAL STATEMENTS  
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**12. Pension Plans – (Continued)**

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

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

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

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

**b. Funding Policy**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by the statutes. PERA Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.00% respectively, of their annual covered salary. The District is required to contribute 11.78% of the annual covered salary for Basic Plan PERF members. The required District contribution percentages for Coordinated Plan PERF members was 6.50% for the calendar year 2008 increasing to 6.75% on January 1, 2009. The District contributions for the years ending June 30, 2009, 2008 and 2007 were \$1,157,327, \$1,109,511, and \$1,036,831 respectively. The District's contributions were equal to the contractually required contributions for each year as set by state statute.

**INDEPENDENT SCHOOL DISTRICT NO. 709  
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NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**13. Expenditures Over Budget**

The following funds incurred expenditures greater than budgeted for the year ended June 30, 2009:

	Final Budget	Actual	Variance
Food Service	\$ 3,067,729	\$ 3,235,153	\$ (167,424)
Capital Projects	26,619,444	29,338,994	(2,719,550)

**14. Fund Balances**

The following fund had a fund balance deficit at June 30, 2009:

Other Funds	
Community Services	
Unreserved	\$ (101,975)

**15. 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 employee health and dental; and natural disasters. Risks of loss related to employee dental claims are self-insured. Risk of loss associated with workers' compensation claims are insured through participation in the Minnesota School Boards Association Insurance Trust. All other risks of loss are insured by the purchase of commercial insurance. There were no significant reductions in insurance coverage from the previous year. There were no settlements in excess of insurance for any of the past three fiscal years.

The Minnesota School Boards Association Insurance Trust is a public entity risk pool currently operated as a common risk management and insurance program for member school districts. The District pays an annual premium based on annual payroll rates and an experience modification factor for workers' compensation coverage.

Effective January 1994, the District changed to self-insuring employee dental claims. Risk management activities for employee dental claims are accounted for in the District's General Fund. Claims, expenditures, and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have occurred but have not been reported. Changes in the balances of the dental claims liability during the years ending [June 30, 2008](#) and 2009 were as follows:

	July 1	Claims and Changes in Estimates	Claim Payments	June 30
2008	\$ 80,368	\$ 817,646	\$ 756,874	\$ 80,368
2009	\$ 80,368	\$ 800,489	\$ 796,990	\$ 83,867

**INDEPENDENT SCHOOL DISTRICT NO. 709  
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**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009**

**16. Commitments**

At June 30, 2009, the District had commitments under various construction and service contracts totaling \$33,946,765 all of which have been recorded as a reserve for encumbrances in the capital projects fund.

**17. Contingent Liabilities**

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

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel the resolution of these matters will not have a material adverse effect of the financial conditions of the District.

**18. Subsequent Events**

On October 13, 2009 the District issued \$71,170,000 Taxable Full Term Certificates of Participation, Series 2009A (Build America Bonds – Direct Pay) maturing on February 1, 2028. The interest due on the bonds ranges from 2.25% to 5.60%. Under the federal stimulus program the interest due on the bonds qualify for a 35% rebate from the federal government. The bonds were issued as part of the District's long-range facilities plan.

On October 13, 2009 the District issued \$35,400,000 Certificates of Participation, Series 2009B maturing on March 1, 2030. The interest due on the bonds ranges from 4.00% to 5.00%. The bonds were issued as part of the District's long-range facilities plan.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA

Statement A-1

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GENERAL FUND  
BUDGET AND ACTUAL  
Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	Budget		Actual	Variance	Prior Year Actual
	Original	Final		(Unfavorable)	
<b>Revenues</b>					
Local property tax levies	\$ 7,398,978	\$ 7,398,978	\$ 9,044,463	\$ 1,645,485	\$ 7,696,891
Interest income	911,720	911,720	962,685	50,965	1,540,456
Other local and county	3,187,180	5,042,720	4,237,313	(805,407)	3,686,067
State sources	81,205,698	81,771,323	80,242,359	(1,528,964)	82,683,663
Federal sources	5,302,001	7,840,576	6,885,703	(954,873)	6,966,331
Sales and other conversions of assets	975,463	975,463	563,590	(411,873)	724,340
<b>Total Revenues</b>	<b>\$ 98,981,040</b>	<b>\$ 103,940,780</b>	<b>\$ 101,936,113</b>	<b>\$ (2,004,667)</b>	<b>\$ 103,297,748</b>
<b>Expenditures</b>					
Administration	\$ 4,972,760	\$ 5,059,414	\$ 4,996,497	\$ 62,917	\$ 5,470,709
District support services	4,143,965	4,481,208	1,864,476	2,616,732	2,447,760
Regular instruction	43,542,537	47,165,889	51,047,288	(3,881,399)	50,584,065
Vocational instruction	1,957,958	2,055,474	2,305,448	(249,974)	2,206,277
Special education instruction	21,835,825	23,423,241	22,522,598	900,643	21,169,807
Instructional support services	3,129,141	4,688,462	3,826,429	862,033	5,324,196
Pupil support services	7,338,019	7,656,849	7,944,143	(287,294)	7,838,645
Sites, buildings and equipment	8,610,370	8,620,465	8,688,908	(68,443)	8,427,321
Fiscal and other fixed cost programs	2,877,466	1,850,870	236,694	1,614,176	259,908
Capital outlay	1,233,680	2,050,869	1,300,050	750,819	2,058,205
<b>Total Expenditures</b>	<b>\$ 99,641,721</b>	<b>\$ 107,052,741</b>	<b>\$ 104,732,531</b>	<b>\$ 2,320,210</b>	<b>\$ 105,786,893</b>
<b>Net change in fund balance</b>	<b>\$ (660,681)</b>	<b>\$ (3,111,961)</b>	<b>\$ (2,796,418)</b>	<b>\$ 315,543</b>	<b>\$ (2,489,145)</b>
<b>Fund Balance</b>					
Beginning of Year			\$ 21,378,283		\$ 23,867,428
End of Year			<b>\$ 18,581,865</b>		<b>\$ 21,378,283</b>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

Statement A-2

**INFORMATION ABOUT THE DISTRICT'S OTHER POSTEMPLOYMENT  
HEALTH CARE PLAN  
June 30, 2009**

Schedule of funding Progress by Valuation Date

Actuarial Valuation Date	Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
July 1, 2008	\$ -	\$ 10,532,000	\$ 10,532,000	-	\$ 61,239,381	17.20%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Percentage Contributed
June 30, 2008	\$ 1,311,842	37.13%
June 30, 2009	\$ 1,271,941	42.08%

**SUPPLEMENTARY  
INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Statement B-1**

**BALANCE SHEETS  
GENERAL FUND  
JUNE 30**

	2009	2008
<b><u>Assets</u></b>		
Cash and investments	\$ 22,691,118	\$ 21,555,924
Taxes and credits receivable	7,311,752	6,529,892
Accounts and interest receivable	193,594	242,873
Due from		
Other funds	81,250	531,837
Other Minnesota school districts	686,790	642,638
Department of Education	7,441,077	9,361,276
Federal through Department of Education	2,008,284	1,876,166
Federal - direct	9,040	139,404
Other governmental units	59,344	92,965
Inventory	173,476	185,303
Prepayments	89,632	128,839
	<b>\$ 40,745,357</b>	<b>\$ 41,287,117</b>
<b><u>Liabilities</u></b>		
Salaries payable	\$ 12,785,622	\$ 10,474,718
Accounts payable	649,989	1,168,063
Due to		
Other funds	145,677	228,978
Other Minnesota school districts	63,620	68,540
Other governmental units	1,836	2,175
Claims payable	122,679	96,822
Deferred revenue	607,833	310,871
Taxes levied for subsequent year's expenditures	7,786,236	7,558,667
	<b>\$ 22,163,492</b>	<b>\$ 19,908,834</b>
<b>Fund Balance (Deficit)</b>		
Reserved for		
First grade preparation	\$ 181,651	\$ 32,509
Basic skills programs	120,654	210,485
Cooperative revenue	173,476	120,654
Inventory	9,595	185,303
Gifted and talented	2,142,492	60,474
Operating capital	89,632	2,298,800
Prepayments	2,000,000	128,839
Severance pay	500,410	2,900,000
Staff development	470,035	470,035
Designated for		
Desegregation	40,882	74,936
Operating capital	600,000	900,000
Referendum expenditures	46,700	94,511
School carryover	991,397	1,107,974
Severance-insurance premiums	2,499,511	2,752,973
Student activities	1,210,908	1,118,959
Student transportation	969,039	1,569,057
Textbooks	197,787	197,787
Unreserved-undesignated	7,126,172	7,154,987
	<b>\$ 18,581,865</b>	<b>\$ 21,378,283</b>
<b>Total Fund Balance</b>	<b>\$ 18,581,865</b>	<b>\$ 21,378,283</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 40,745,357</b>	<b>\$ 41,287,117</b>



**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Statement C-1**

**BALANCE SHEETS  
CAPITAL PROJECTS FUND  
JUNE 30**

	2009	2008
<b><u>Assets</u></b>		
Cash and investments	\$ 147,538,476	\$ 170,295,788
Accounts and interest receivable	4,158,601	767,339
Due from Department of Education	16,806	16,806
<b>Total Assets</b>	<b>\$ 151,713,883</b>	<b>\$ 171,079,933</b>
<b><u>Liabilities</u></b>		
Salaries payable	\$ 1,775	\$ 1,445
Accounts payable	946,817	324,555
Due to Other funds	81,250	
Construction contracts	5,733,237	2,456,244
<b>Total Liabilities</b>	<b>\$ 6,763,079</b>	<b>\$ 2,782,244</b>
<b>Fund Balance</b>		
Reserved for		
Encumbrances	\$ 33,946,765	\$ 3,361,572
Alternative facility program	2,503,162	2,191,253
Projects funded by Certificates of Participation	87,812,507	
Unreserved-undesignated	20,688,370	162,744,864
<b>Total Fund Balance</b>	<b>\$ 144,950,804</b>	<b>\$ 168,297,689</b>
<b>End of Year</b>	<b>\$ 151,713,883</b>	<b>\$ 171,079,933</b>

INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA

Statement D-1

BALANCE SHEETS  
DEBT REDEMPTION DEBT SERVICE FUND  
JUNE 30

	2009	2008
<b><u>Assets</u></b>		
Cash and investments	\$ 6,492,392	\$ 5,587,291
Cash and investments with fiscal agent	73	73
Taxes and credits receivable	7,314,305	7,139,428
Due from		
Department of Education	278,634	143,481
<b>Total Assets</b>	<b>\$ 14,085,404</b>	<b>\$ 12,870,273</b>
<b><u>Liabilities</u></b>		
Deferred revenue	\$ 263,331	\$ 95,644
Taxes levied for subsequent year's expenditures	12,069,886	11,837,990
<b>Total Liabilities</b>	<b>\$ 12,333,217</b>	<b>\$ 11,933,634</b>
<b>Fund Balance</b>		
Reserved for		
Unreserved-undesignated	\$ 1,752,187	\$ 936,639
<b>Total Fund Balance</b>	<b>\$ 1,752,187</b>	<b>\$ 936,639</b>
<b>End of Year</b>	<b>\$ 14,085,404</b>	<b>\$ 12,870,273</b>

INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA

Statement E-1

**COMBINING BALANCE SHEET  
OTHER FUNDS  
JUNE 30, 2009  
With Comparative Amounts at June 30, 2008**

	<u>Food Service</u>	<u>Community Services</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
<b><u>Assets</u></b>				
Cash and investments	\$ 382,192	\$ 580,528	\$ 962,720	\$ 280,409
Taxes and credits receivable		640,341	640,341	524,655
Accounts and interest receivable	1,481	7,347	8,828	202,744
Due from				
Department of Education		421,318	421,318	376,094
Federal through Department of Education	42,206	80,569	122,775	64,516
Federal - direct		806,351	806,351	2,216,525
Other governmental units		5,740	5,740	2,163
Inventory	113,580		113,580	143,295
Prepayments		1,020	1,020	27,245
	<u>\$ 539,459</u>	<u>\$ 2,543,214</u>	<u>\$ 3,082,673</u>	<u>\$ 3,837,646</u>
<b><u>Liabilities</u></b>				
Salaries payable	\$ 13,917	\$ 592,898	\$ 606,815	\$ 582,497
Accounts payable	30,544	409,972	440,516	648,072
Due to				
Other funds		88,442	88,442	648,978
Deferred revenue		42,642	42,642	10,676
Taxes levied for subsequent year's expenditures		1,023,140	1,023,140	866,295
	<u>\$ 44,461</u>	<u>\$ 2,157,094</u>	<u>\$ 2,201,555</u>	<u>\$ 2,756,518</u>
<b>Fund Balance (Deficit)</b>				
Reserved for				
Inventory	\$ 113,580	\$	\$ 113,580	\$ 143,295
Prepayments		1,020	1,020	27,245
School readiness		46,916	46,916	45,967
Community education		184,038	184,038	156,917
Adult basic education		69,811	69,811	79,711
Early childhood family education		187,329	187,329	187,236
Unreserved-undesignated	381,418	(102,994)	278,424	440,757
	<u>\$ 494,998</u>	<u>\$ 386,120</u>	<u>\$ 881,118</u>	<u>\$ 1,081,128</u>
<b>End of Year</b>	<u><u>\$ 539,459</u></u>	<u><u>\$ 2,543,214</u></u>	<u><u>\$ 3,082,673</u></u>	<u><u>\$ 3,837,646</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA**

**Statement E-2**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
OTHER FUNDS**

**Year Ended June 30, 2009**

**With Comparative Actual Amounts for the Year Ended June 30, 2008**

	Food Service	Community Services	Totals	
			2009	2008
<b>Revenues</b>				
Local property tax levies	\$	\$ 695,279	\$ 695,279	\$ 651,240
Other local and county	4,000	1,480,818	1,484,818	1,627,448
State sources	176,241	2,191,713	2,367,954	2,357,163
Federal sources	1,889,653	7,197,046	9,086,699	7,341,910
Sales and other conversions of assets	1,237,359		1,237,359	1,214,367
<b>Total Revenues</b>	<b>\$ 3,307,253</b>	<b>\$ 11,564,856</b>	<b>\$ 14,872,109</b>	<b>\$ 13,192,128</b>
<b>Expenditures</b>				
Community education and services	\$	\$ 11,182,628	\$ 11,182,628	\$ 9,759,245
Pupil support services	3,233,841		3,233,841	3,018,110
Capital outlay	1,312	654,338	655,650	19,250
<b>Total Expenditures</b>	<b>\$ 3,235,153</b>	<b>\$ 11,836,966</b>	<b>\$ 15,072,119</b>	<b>\$ 12,796,605</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$ 72,100</b>	<b>\$ (272,110)</b>	<b>\$ (200,010)</b>	<b>\$ 395,523</b>
<b>Fund Balance</b>				
<b>Beginning of Year</b>	422,898	658,230	1,081,128	685,605
<b>End of Year</b>	<b>\$ 494,998</b>	<b>\$ 386,120</b>	<b>\$ 881,118</b>	<b>\$ 1,081,128</b>

INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA

Statement E-3

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOOD SERVICE FUND  
BUDGET AND ACTUAL  
Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	Budget		Actual	Variance Favorable (Unfavorable)	Prior Year Actual
	Original	Final			
<b>Revenues</b>					
Other local and county	\$ 2,500	\$ 6,500	\$ 4,000	\$ (2,500)	\$ 20
State sources	148,000	148,000	176,241	28,241	189,069
Federal sources	1,650,529	1,650,529	1,889,653	239,124	1,809,572
Sales and other conversions of assets	1,262,700	1,262,700	1,237,359	(25,341)	1,214,367
<b>Total Revenues</b>	<b>\$ 3,063,729</b>	<b>\$ 3,067,729</b>	<b>\$ 3,307,253</b>	<b>\$ 239,524</b>	<b>\$ 3,213,028</b>
<b>Expenditures</b>					
Pupil support services	\$ 3,061,729	\$ 3,065,229	\$ 3,233,841	\$ (168,612)	\$ 3,018,110
Capital outlay	2,000	2,500	1,312	1,188	1,320
<b>Total Expenditures</b>	<b>\$ 3,063,729</b>	<b>\$ 3,067,729</b>	<b>\$ 3,235,153</b>	<b>\$ (167,424)</b>	<b>\$ 3,019,430</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ 72,100</b>	<b>\$ 72,100</b>	<b>\$ 193,598</b>
<b>Fund Balance</b>					
Beginning of Year			422,898		229,300
End of Year			<b>\$ 494,998</b>		<b>\$ 422,898</b>

INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA

Statement E-4

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
COMMUNITY SERVICES FUND  
BUDGET AND ACTUAL  
Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	Budget		Actual	Variance Favorable (Unfavorable)	Prior Year Actual
	Original	Final			
<b>Revenues</b>					
Local property tax levies	\$ 209,804	\$ 209,804	\$ 695,279	\$ 485,475	\$ 651,240
Other local and county	1,469,461	1,651,413	1,480,818	(170,595)	1,627,428
State sources	2,570,746	2,610,662	2,191,713	(418,949)	2,168,094
Federal sources	6,989,980	11,762,268	7,197,046	(4,565,222)	5,532,338
<b>Total Revenues</b>	<b>\$ 11,239,991</b>	<b>\$ 16,234,147</b>	<b>\$ 11,564,856</b>	<b>\$ (4,669,291)</b>	<b>\$ 9,979,100</b>
<b>Expenditures</b>					
Community education and services	\$ 11,258,761	\$ 15,615,735	\$ 11,182,628	\$ 4,433,107	\$ 9,759,245
Capital outlay	34,210	792,751	654,338	138,413	17,930
<b>Total Expenditures</b>	<b>\$ 11,292,971</b>	<b>\$ 16,408,486</b>	<b>\$ 11,836,966</b>	<b>\$ 4,571,520</b>	<b>\$ 9,777,175</b>
<b>Net change in fund balance</b>	<b>\$ (52,980)</b>	<b>\$ (174,339)</b>	\$ (272,110)	<b>\$ (97,771)</b>	\$ 201,925
<b>Fund Balance</b>					
Beginning of Year			658,230		456,305
End of Year			<b>\$ 386,120</b>		<b>\$ 658,230</b>

INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA

Statement F-1

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
CAPITAL PROJECTS FUND  
BUDGET AND ACTUAL  
Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	Budget		Actual	Variance Favorable (Unfavorable)	Prior Year Actual
	Original	Final			
<b>Revenues</b>					
Local property tax levies	\$ 1,751,316	\$ 1,751,316	\$	\$ (1,751,316)	\$ 1,696,912
Interest income	5,362,500	5,362,500	5,824,045	461,545	816,346
State sources	168,064	168,064	168,064		168,064
<b>Total Revenues</b>	<b>\$ 7,281,880</b>	<b>\$ 7,281,880</b>	<b>\$ 5,992,109</b>	<b>\$ (1,289,771)</b>	<b>\$ 2,681,322</b>
<b>Expenditures</b>					
Sites, buildings and equipment	\$ 867,412	\$ 646,327	\$ 527,613	\$ 118,714	\$
Fiscal and other fixed cost programs			425,147	(425,147)	
Capital Outlay	21,843,665	25,973,117	28,386,234	(2,413,117)	6,661,323
<b>Total Expenditures</b>	<b>\$ 22,711,077</b>	<b>\$ 26,619,444</b>	<b>\$ 29,338,994</b>	<b>\$ (2,719,550)</b>	<b>\$ 6,661,323</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (15,429,197)</b>	<b>\$ (19,337,564)</b>	<b>\$ (23,346,885)</b>	<b>\$ (4,009,321)</b>	<b>\$ (3,980,001)</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from bonds and loans, net	95,192,875				171,543,681
<b>Net change in fund balance</b>	<b>\$ 79,763,678</b>	<b>\$ (19,337,564)</b>	<b>\$ (23,346,885)</b>	<b>\$ (4,009,321)</b>	<b>\$ 167,563,680</b>
<b>Fund Balance</b>					
Beginning of Year			168,297,689		734,009
End of Year			<b>\$ 144,950,804</b>		<b>\$ 168,297,689</b>

INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA

Statement G-1

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
DEBT REDEMPTION DEBT SERVICE FUND  
BUDGET AND ACTUAL  
Year Ended June 30, 2009  
With Comparative Actual Amounts for the Year Ended June 30, 2008**

	Budget		Actual	Variance Favorable (Unfavorable)	Prior Year Actual
	Original	Final			
<b>Revenues</b>					
Local property tax levies	\$ 11,837,990	\$ 11,837,990	\$ 9,708,108	\$ (2,129,882)	\$ 2,061,793
Interest income					3
State sources	<u>639,450</u>	<u>639,450</u>	<u>2,786,341</u>	<u>2,146,891</u>	<u>1,434,811</u>
<b>Total Revenues</b>	<b><u>\$ 12,477,440</u></b>	<b><u>\$ 12,477,440</u></b>	<b><u>\$ 12,494,449</u></b>	<b><u>\$ 17,009</u></b>	<b><u>\$ 3,496,607</u></b>
<b>Expenditures</b>					
Principal	\$ 6,610,000	\$ 6,610,000	\$ 5,720,000	\$ 890,000	\$ 2,555,000
Interest and fiscal charges	<u>6,268,748</u>	<u>6,268,748</u>	<u>5,958,901</u>	<u>309,847</u>	<u>1,039,911</u>
<b>Total Expenditures</b>	<b><u>\$ 12,878,748</u></b>	<b><u>\$ 12,878,748</u></b>	<b><u>\$ 11,678,901</u></b>	<b><u>\$ 1,199,847</u></b>	<b><u>\$ 3,594,911</u></b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b><u>\$ (401,308)</u></b>	<b><u>\$ (401,308)</u></b>	<b><u>\$ 815,548</u></b>	<b><u>\$ 1,216,856</u></b>	<b><u>\$ (98,304)</u></b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from bonds and loans, net	\$	\$	\$	\$	\$ 4,178,930
Interest earned from escrow					218,464
Principal and interest paid from escrow					<u>(8,695,290)</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$ (4,297,896)</u></b>
<b>Net change in fund balance</b>	<b><u>\$ (401,308)</u></b>	<b><u>\$ (401,308)</u></b>	<b><u>\$ 815,548</u></b>	<b><u>\$ 1,216,856</u></b>	<b><u>\$ (4,396,200)</u></b>
<b>Fund Balance</b>					
Beginning of Year			<u>936,639</u>		<u>5,332,839</u>
End of Year			<b><u>\$ 1,752,187</u></b>		<b><u>\$ 936,639</u></b>



# **STUDENT ACTIVITIES**

**INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA**

Statement H-1

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
STUDENT ACTIVITIES ACCOUNTS AND CERTAIN CURRICULAR AND CO-CURRICULAR ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
<b>High Schools</b>				
Central	\$ 161,268	\$ 394,171	\$ 379,130	\$ 176,309
Denfeld	169,480	570,021	522,975	216,526
East	264,524	974,216	971,308	267,432
Secondary Technical Center	76,536	71,872	68,031	80,377
<b>Total High Schools</b>	<b>\$ 671,808</b>	<b>\$ 2,010,280</b>	<b>\$ 1,941,444</b>	<b>\$ 740,644</b>
<b>Middle Schools</b>				
Morgan Park	\$ 76,003	\$ 114,088	\$ 109,234	\$ 80,857
Ordean	74,450	93,296	97,076	70,670
Woodland	47,801	97,713	95,189	50,325
<b>Total Middle Schools</b>	<b>\$ 198,254</b>	<b>\$ 305,097</b>	<b>\$ 301,499</b>	<b>\$ 201,852</b>
<b>Elementary Schools</b>				
Congdon Park	\$ 9,306	\$ 28,483	\$ 27,423	\$ 10,366
Grant	13,775	9,608	11,661	11,722
Homecroft	11,362	33,172	11,848	32,686
Lakewood	11,286	13,157	14,760	9,683
Laura MacArthur	20,535	31,230	33,327	18,438
Lester Park	17,552	18,436	21,682	14,306
Lincoln Park	29,397	7,356	19,205	17,548
Lowell	24,748	32,583	29,902	27,429
Nettleton	33,427	14,682	11,663	36,446
Piedmont	3,069	16,437	15,425	4,081
Rockridge	3,968	8,677	6,571	6,074
Stowe	31,166	16,364	14,680	32,850
<b>Total Elementary Schools</b>	<b>\$ 209,591</b>	<b>\$ 230,185</b>	<b>\$ 218,147</b>	<b>\$ 221,629</b>
<b>ALC</b>	<b>\$ 1,476</b>	<b>\$ 5</b>	<b>\$ 363</b>	<b>\$ 1,118</b>
<b>Barnes Early Childhood</b>	<b>2,601</b>	<b>3,392</b>	<b>3,414</b>	<b>2,579</b>
<b>Merritt Creek Academy</b>	<b>2,465</b>	<b>9,247</b>	<b>2,656</b>	<b>9,056</b>
<b>Public School Stadium</b>	<b>1,805</b>	<b>39,299</b>	<b>39,204</b>	<b>1,900</b>
<b>Unity</b>	<b>28,528</b>	<b>1,610</b>	<b>110</b>	<b>30,028</b>
<b>Woodland Hills</b>	<b>2,431</b>	<b>5,850</b>	<b>6,179</b>	<b>2,102</b>
<b>Total Student Activities</b>	<b>\$ 1,118,959</b>	<b>\$ 2,604,965</b>	<b>\$ 2,513,016</b>	<b>\$ 1,210,908</b>
<b>District Funds</b>				
Co-curricular	\$ 921,931	\$ 2,253,975	\$ 2,154,873	\$ 1,021,033
Extra-curricular	197,028	350,990	358,143	189,875
<b>Total Funds</b>	<b>\$ 1,118,959</b>	<b>\$ 2,604,965</b>	<b>\$ 2,513,016</b>	<b>\$ 1,210,908</b>

**INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA**

Statement I-1

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
CENTRAL HIGH SCHOOL-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
<b>Co-curricular</b>				
Advance Placement	\$ 1,305	\$ 3,514	\$ 2,106	\$ 2,713
Art	54	271	243	82
Athletics	35,675	183,736	170,019	49,392
B. P. A.	832	-	-	832
Basketball-Boys	3,888	3,630	2,895	4,623
Basketball-Girls	298	3,762	3,327	733
Biology	544	-	300	244
Classroom Library	-	500	-	500
Cross Country	859	3,022	3,213	668
Danceline	1,652	1,100	1,454	1,298
Drama	5,819	13,747	16,996	2,570
Football	4,421	10,955	10,322	5,054
Forensics	1,964	-	-	1,964
General Fund (Site)	12,427	33,793	28,957	17,263
Grants	1,172	-	-	1,172
Guidance	50	1,817	1,602	265
Habitat	137	678	754	61
Home Economics	50	-	-	50
Industrial Arts	2,996	777	1,008	2,765
Int Digital Tech	-	1,075	-	1,075
Library	1,351	1,366	875	1,842
Music				
Band	10,736	11,952	15,532	7,156
Band Uniforms	3,106	-	1,702	1,404
Jazz Ensemble	1,737	100	1,403	434
Orchestra	1,660	14,128	12,079	3,709
Pop Concert	4,887	12,743	10,964	6,666
Vocal	3,439	19,185	17,571	5,053
Ninth Gr. Civility Project	321	100	421	-
Physical Fitness	8	-	-	8
Rockets	348	508	442	414
Soccer-Boys	2,164	6,327	4,525	3,966
Soccer-Girls	1,830	2,130	2,586	1,374
Swim Girls	1,352	4,082	4,950	484
Tennis-Girls	173	1,000	1,108	65
Transcripts	416	374	202	588
Troy Link	-	3,515	2,238	1,277
Volleyball	2,345	6,001	5,780	2,566
Yearbook	9,476	9,260	6,087	12,649
<b>Total Co-curricular</b>	<b>\$ 119,492</b>	<b>\$ 355,148</b>	<b>\$ 331,661</b>	<b>\$ 142,979</b>

INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA

Statement I-1  
(Continued)

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
CENTRAL HIGH SCHOOL-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
<b>Extra-curricular</b>				
Aero Club	\$ -	\$ -	\$ -	\$ -
Asian Club	335	1,045	985	395
Benevolence Account	9,068	400	5,150	4,318
Cheerleaders	5,904	9,054	12,877	2,081
Class of				
2002	302	-	302	-
2007	502	-	502	-
2008	709	-	-	709
2009	-	5,682	5,568	114
Close Up	71	-	-	71
Key Club	349	1,609	1,781	177
M.M.R.	481	1,145	986	640
National Honor Society	2,064	370	316	2,118
Pep-booster Club	199	1	-	200
Prom	6,177	6,493	9,712	2,958
Scholarship Fund	12,786	3,500	2,250	14,036
Spanish	743	-	37	706
Stories of Service	984	-	-	984
Student Council	1,102	9,724	7,003	3,823
				-
<b>Total Extra-curricular</b>	<b>\$ 41,776</b>	<b>\$ 39,023</b>	<b>\$ 47,469</b>	<b>\$ 33,330</b>
<b>Total Student Activities</b>	<b>\$ 161,268</b>	<b>\$ 394,171</b>	<b>\$ 379,130</b>	<b>\$ 176,309</b>

**INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA**

Statement I-2

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
DENFELD HIGH SCHOOL-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
<b>Co-curricular</b>				
Anatomy	\$ 865	\$ 280	\$ 267	\$ 878
Art	234	2,206	1,195	1,245
Athletics	103,576	325,551	312,379	116,748
Autistic Cookie	-	10,495	9,904	591
Biology Olson	5,398	14,476	13,291	6,583
Business	-	500	-	500
Ceramics	280	700	958	22
Chemistry	961	1,403	2,364	-
Choir	76	18,066	14,450	3,692
Concession	-	611	275	336
Danceline	140	11,700	10,633	1,207
Drafting	145	128	19	254
Drama-Pursi	151	-	-	151
Drawing & Painting	-	85	-	85
English	56	800	855	1
General Fund	16,081	22,769	22,897	15,953
Guidance	3,184	5,836	7,613	1,407
Health Grant	250	1,880	2,129	1
Home Ec	100	-	-	100
Ignatius Howard	2,326	1,968	-	4,294
Life Skills	218	196	196	218
Math Department	560	-	-	560
Media	1,723	2,124	882	2,965
Music				
Band	1,553	32,315	30,377	3,491
Orchestra	3,629	4,433	5,608	2,454
Newspaper	389	3,682	3,693	378
NHS	284	1,023	559	748
Parent Involvement	1,079	11,957	-	13,036
Physical Education	549	500	55	994
Physics	700	500	1,073	127
Photography	-	1,105	671	434
Play Production-Lofald	800	4,374	4,689	485
PSS	-	21,154	6,518	14,636
Recycle	1	200	25	176
Science 9	738	36	-	774
Speech	9	5,866	5,802	73
Stage and Auditorium	5,530	6,868	2,216	10,182
Stained Glass	1,159	1,513	2,653	19
Star Program	396	-	-	396
Woodworking	4,185	3,391	3,975	3,601
Yearbook	1,114	8,400	9,419	95
<b>Total Co-curricular</b>	<b>\$ 158,439</b>	<b>\$ 529,091</b>	<b>\$ 477,640</b>	<b>\$ 209,890</b>

INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA

Statement I-2  
(Continued)

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
DENFELD HIGH SCHOOL-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
<b>Extra-curricular</b>				
Cheerleaders	\$ 870	\$ 14,902	\$ 15,315	\$ 457
Class of				
2006	370	-	370	-
2007	29	-	29	-
2008	-	-	-	-
2009	592	3,928	4,227	293
2010	-	2,235	1,734	501
DECA	907	2,746	3,254	399
French Club	1,160	-	142	1,018
German	2,436	4,054	4,205	2,285
Key Club	633	800	969	464
Link	-	-	-	-
Parking Pass	36	-	-	36
Pictures	2	-	-	2
P.R.I.D.E	-	-	-	-
Prom	453	6,310	6,607	156
Random Acts of Kindness	65	135	136	64
Retain Wall	16	-	-	16
Rotarian	-	-	-	-
SALF	-	-	-	-
Smoothies	-	-	-	-
Spanish Club	-	1,664	1,398	266
Spirit Pac	3,362	4,156	6,899	619
Student in Need	110	-	50	60
Task Force	-	-	-	-
<b>Total Extra-curricular</b>	<b>\$ 11,041</b>	<b>\$ 40,930</b>	<b>\$ 45,335</b>	<b>\$ 6,636</b>
<b>Total Student Activities</b>	<b>\$ 169,480</b>	<b>\$ 570,021</b>	<b>\$ 522,975</b>	<b>\$ 216,526</b>

**INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA**

Statement I-3

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
EAST HIGH SCHOOL-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
<b>Co-curricular</b>				
Advance Placement	\$ 3,929	\$ 4,963	\$ 4,447	\$ 4,445
Art Fund	646	2,090	2,736	-
Athletics	38,887	378,263	367,708	49,442
A-V/Theater	1,992	500	282	2,210
Baseball	1,729	28,110	21,300	8,539
Biology	4,490	500	593	4,397
Book Fund	1,607	58	1,223	442
Boys' Basketball	8,196	7,138	5,692	9,642
Bus Pass	-	3,420	3,000	420
Chemistry & Physics	3,947	16,194	10,406	9,735
Choralaires	51	1,600	403	1,248
Civics	639	132	57	714
DECA	21	3,658	2,680	999
Drama	9,987	7,048	12,324	4,711
Eastside Steppers	16,187	16,849	18,411	14,625
Football	11,213	11,745	13,058	9,900
Foreign Language	511	-	58	453
General fund	8,742	33,036	24,872	16,906
Girls' Basketball	3,880	4,360	3,699	4,541
Girls' Hockey	2,342	1,698	125	3,915
Girls' Softball	3,667	11,861	10,813	4,715
Girls' Swim	1,603	14,377	14,028	1,952
Girls' Tennis	1,651	3,097	1,888	2,860
Golf Teams	2,355	4,447	4,238	2,564
Guidance	2,067	4,264	4,908	1,423
Health Fund	458	-	395	63
Hockey Alumni Fund	811	2,775	3,400	186
Hockey Jerseys	-	320	-	320
Hounds Helping Hands	396	-	-	396
Industrial Education	4,439	2,684	4,154	2,969
Language Arts	123	8,740	7,965	898
Library-Media	280	605	795	90
Mathematics Club	110	40	92	58
MMMI	267	7,175	5,865	1,577
Multi-Handicap	89	-	42	47
<b>Music</b>				
Music Department	3,155	15,865	9,430	9,590
Band	10,396	64,156	68,069	6,483
Orchestra	4,860	21,478	20,810	5,528
Orchestra-Performance	4,770	14,922	19,382	310
Vocal	12,016	140,608	137,511	15,113
Newspaper	2,026	12,575	11,744	2,857
Ordean Field	93	-	92	1
Robotics	1,419	6,404	3,693	4,130

**INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA**

**Statement I-3  
(Continued)**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
EAST HIGH SCHOOL-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
Physical Education	\$ 7	\$ -	\$ -	\$ 7
Physical Science	603	80	394	289
PSS Advertising	2,671	-	-	2,671
SAD	11,416	-	11,416	-
Scholarship	925	-	-	925
Social Studies	257	571	-	828
Speech	-	-	-	-
Track Fund	1,701	3,341	2,526	2,516
Volleyball	1,138	5,417	4,682	1,873
Work Experience	96	-	95	1
Yearbook	30,395	9,686	17,007	23,074
<b>Total Co-curricular</b>	<b>\$ 225,256</b>	<b>\$ 876,850</b>	<b>\$ 858,508</b>	<b>\$ 243,598</b>
<b>Extra-curricular</b>				
American Field Service	\$ 1,150	\$ -	\$ 1,007	\$ 143
Association	4,119	20,627	21,921	2,825
Cheerleaders	3,747	26,226	29,640	333
Class of				
Freshmen	442	350	424	368
Seniors	3,194	137	2,600	731
Juniors	2,500	9,693	5,871	6,322
FHA-New Horizons	600	649	498	751
Grants	217	-	111	106
Green Club	86	-	-	86
Grill Team	-	357	162	195
Key Club	818	5,754	5,846	726
Knowledge Bowl	472	335	731	76
Mathematics Club	71	253	110	214
National Honor Society	570	3,292	3,473	389
Need Fund	16,116	-	13,740	2,376
P.R.I.D.E	7	19	-	26
Rachel Bonzo Mem	94	1,000	306	788
Safe Schools	-	5,655	3,200	2,455
Scott Anderson	439	-	100	339
Service Learning	-	120	-	120
Sierra Club	-	140	-	140
Spanish	886	-	310	576
STAR Program	479	-	151	328
Student Council	3,261	22,759	22,599	3,421
<b>Total Extra-curricular</b>	<b>\$ 39,268</b>	<b>\$ 97,366</b>	<b>\$ 112,800</b>	<b>\$ 23,834</b>
<b>Total Student Activities</b>	<b>\$ 264,524</b>	<b>\$ 974,216</b>	<b>\$ 971,308</b>	<b>\$ 267,432</b>



INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA

Statement I-4

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
SECONDARY TECHNICAL CENTER-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
<b>Co-curricular</b>				
BPA	\$ 5,166	\$ 9,942	\$ 11,466	\$ 3,642
Duluth Future Farmers of America	6,335	6,916	6,519	6,732
General Fund	33,862	5,141	8,268	30,735
Hero Childcare	1,455	4,691	4,968	1,178
Hero Hosa	2,403	16,384	14,291	4,496
Hero Food Service	-	1,484	475	1,009
Hero Waiter/Wait	2,440	1,805	1,091	3,154
Kinder Korner	6,795	7,305	4,412	9,688
Naval Science-NJROTC	(1,528)	16,683	10,555	4,600
NJROTC	-	-	-	-
Parking Permits	4,884	820	225	5,479
Small Engine Repair	2,958	55	-	3,013
Tony Leone VICA	3,615	-	100	3,515
Vica	5,695	646	5,661	680
WECEP	956	-	-	956
Yearbook	-	-	-	-
<b>Total Co-curricular</b>	<b>\$ 75,036</b>	<b>\$ 71,872</b>	<b>\$ 68,031</b>	<b>\$ 78,877</b>
<b>Extra-curricular</b>				
Student Emergency	\$ 1,500	\$ -	\$ -	\$ 1,500
<b>Total Extra-curricular</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,500</b>
<b>Total Student Activities</b>	<b>\$ 76,536</b>	<b>\$ 71,872</b>	<b>\$ 68,031</b>	<b>\$ 80,377</b>

**INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA**

Statement I-5

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
MORGAN PARK MIDDLE SCHOOL-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
<b>Co-curricular</b>				
Art	\$ 338	\$ -	\$ 205.00	\$ 133
Athletics	65	-	-	65
American History	100	-	100	-
Awards	68	-	-	68
Band Rental	-	3,440	3,040	400
Book	1,235	-	-	1,235
General Fund	29,751	19,252	19,213	29,790
Home Economics	92	20	-	112
Industrial Education	3,592	2,132	2,393	3,331
Intergenerational	-	100	10	90
Library-Media	526	239	346	419
Library-Donation	1,185	-	-	1,185
Music				
Band	445	23,784	20,706	3,523
Choir	1,149	19,155	18,147	2,157
Jazz	-	1,000	590	410
Orchestra	12,509	9,309	9,372	12,446
Newspaper	93	-	-	93
Orchestra Rental	2,319	1,650	3,789	180
Physical Education	1,832	500	-	2,332
Rockets	21	-	-	21
UMD Environmental	31	-	-	31
Yearbook	3,048	4,291	3,837	3,502
<b>Total Co-curricular</b>	<b>\$ 58,399</b>	<b>\$ 84,872</b>	<b>\$ 81,748</b>	<b>\$ 61,523</b>
<b>Extra-curricular</b>				
Dance Club	\$ 25	\$ -	\$ -	\$ 25
English Trip	365	-	-	365
Garden club	651	534	556	629
Homebase	3,180	1	1,047	2,134
Sixth Grade	5,706	11,584	12,078	5,212
Eighth Grade Party	308	864	779	393
Ski Club	554	1,981	2,535	-
Spanish Club	157	-	-	157
Student Council	597	-	193	404
Track	-	284	260	24
Trip Fund	5,365	11,923	8,057	9,231
WECEP	696	2,045	1,981	760
<b>Total Extra-curricular</b>	<b>\$ 17,604</b>	<b>\$ 29,216</b>	<b>\$ 27,486</b>	<b>\$ 19,334</b>
<b>Total Student Activities</b>	<b>\$ 76,003</b>	<b>\$ 114,088</b>	<b>\$ 109,234</b>	<b>\$ 80,857</b>

INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA

Statement I-6

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
ORDEAN MIDDLE SCHOOL-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
<b>Co-curricular</b>				
Art	\$ -	\$ -	\$ -	\$ -
Band	9,903	7,619	10,784	6,738
General Fund	26,529	13,379	12,821	27,087
Library-Media	2,936	1,751	372	4,315
Life Skills/Indu	2,530	2,471	2,258	2,743
Knowledge Bowl	18	420	438	-
Music				
Orchestra	5,141	11,935	10,249	6,827
Vocal	3,029	6,360	7,859	1,530
Physical Education	1,666	1,165	2,787	44
Science	966	5,088	4,426	1,628
Sixth Grade	-	18,508	18,228	280
WECEP	1,482	-	55	1,427
Yearbook	-	-	-	-
<b>Total Co-curricular</b>	<b>\$ 54,200</b>	<b>\$ 68,696</b>	<b>\$ 70,277</b>	<b>\$ 52,619</b>
<b>Extra-curricular</b>				
Drama Club	\$ 13,731	\$ 15,549	\$ 15,656	\$ 13,624
Ski Club	637	2,596	2,932	301
Student Council	4	-	-	4
Tea Time	-	-	-	-
Yearbook	5,878	6,455	8,211	4,122
<b>Total Extra-curricular</b>	<b>\$ 20,250</b>	<b>\$ 24,600</b>	<b>\$ 26,799</b>	<b>\$ 18,051</b>
<b>Total Student Activities</b>	<b>\$ 74,450</b>	<b>\$ 93,296</b>	<b>\$ 97,076</b>	<b>\$ 70,670</b>

INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA

Statement I-7

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
WOODLAND MIDDLE SCHOOL-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Activity	Cash Balance 6/30/2008	Receipts and Transfers In	Disbursements and Transfers Out	Cash Balance 6/30/2009
<b>Co-curricular</b>				
5 and 6 Musical	\$ 30	\$ -	\$ -	\$ 30
Art 5-6	7	758	620	145
Art 8	218	2,008	2,226	-
Art Hannu	-	2,514	1,230	1,284
Book Account	2,458	90	-	2,548
General Fund	1,292	4,615	5,985	(78)
Grants	2,196	4,327	4,203	2,320
Heart Monitors	154	-	154	-
Home Economics	2,559	502	10	3,051
Industrial Education	4,842	3,333	3,373	4,802
Library-Media	1,460	295	64	1,691
Music				
Band	3,615	19,464	20,944	2,135
Orchestra	6,958	13,381	14,417	5,922
Vocal	1,665	8,318	7,956	2,027
Phys Ed Locks	513	843	876	480
Play Production	848	-	-	848
Science Department	841	-	-	841
Yearbook	7,286	7,690	7,165	7,811
<b>Total Co-curricular</b>	<b>\$ 36,942</b>	<b>\$ 68,138</b>	<b>\$ 69,223</b>	<b>\$ 35,857</b>
<b>Extra-curricular</b>				
Grade 6	\$ 2,894	\$ 6,722	\$ 7,207	\$ 2,409
Grade 7	2,084	2,000	2,073	2,011
Grade 8	48	6,111	5,832	327
After School Ski	-	490	490	-
Buzz Club	2	-	2	-
Chess Club	100	-	-	100
French Club	95	-	95	-
Holm Team	35	-	35	-
Integration	200	-	200	-
Knight Crew	-	466	-	466
Knowledge Bowl	28	250	250	28
PTSA Student Account	898	-	-	898
Safe Schools	-	9,153	5,108	4,045
Spanish Club	43	-	-	43
Special Ed Store	191	290	354	127
Stamp Club	72	-	-	72
Student Council	1,502	503	1,114	891
Swim Team	-	1,226	1,244	(18)
Think or Sink	1	-	-	1
Track and Field	72	686	112	646
Video	427	-	425	2
Volleyball Club	-	202	195	7
Web Crew	-	191	-	191
Winter Survival	2,167	1,285	1,230	2,222
Woodland Environmental	-	-	-	-
<b>Total Extra-curricular</b>	<b>\$ 10,859</b>	<b>\$ 29,575</b>	<b>\$ 25,966</b>	<b>\$ 14,468</b>
<b>Total Student Activities</b>	<b>\$ 47,801</b>	<b>\$ 97,713</b>	<b>\$ 95,189</b>	<b>\$ 50,325</b>

INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA

Statement I-8

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
ELEMENTARY SCHOOLS, UNITY AND PUBLIC SCHOOL STADIUM-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Activity	Cash Balance 6/30/2008	Receipts and Transfers In	Disbursements and Transfers Out	Cash Balance 6/30/2009
<b>Congdon Park</b>				
Co-curricular	\$ 8,249	\$ 15,175	\$ 14,065	\$ 9,359
Extra-curricular	1,057	13,308	13,358	1,007
<b>Total</b>	<b>\$ 9,306</b>	<b>\$ 28,483</b>	<b>\$ 27,423</b>	<b>\$ 10,366</b>
<b>Grant</b>				
Co-curricular	\$ 11,197	\$ 1,569	\$ 4,273	\$ 8,493
Extra-curricular	2,578	8,039	7,388	3,229
<b>Total</b>	<b>\$ 13,775</b>	<b>\$ 9,608</b>	<b>\$ 11,661</b>	<b>\$ 11,722</b>
<b>Homecroft</b>				
Extra-curricular	\$ 11,362	\$ 33,172	\$ 11,848	\$ 32,686
<b>Total</b>	<b>\$ 11,362</b>	<b>\$ 33,172</b>	<b>\$ 11,848</b>	<b>\$ 32,686</b>
<b>Lakewood</b>				
Co-curricular	\$ 6,794	\$ 12,567	\$ 13,329	\$ 6,032
Extra-curricular	4,492	590	1,431	3,651
<b>Total</b>	<b>\$ 11,286</b>	<b>\$ 13,157</b>	<b>\$ 14,760</b>	<b>\$ 9,683</b>
<b>Laura MacArthur</b>				
Co-curricular	\$ 13,405	\$ 25,668	\$ 27,996	\$ 11,077
Extra-curricular	7,130	5,562	5,331	7,361
<b>Total</b>	<b>\$ 20,535</b>	<b>\$ 31,230</b>	<b>\$ 33,327</b>	<b>\$ 18,438</b>
<b>Lester Park</b>				
Co-curricular	\$ 12,740	\$ 18,118	\$ 16,552	\$ 14,306
Extra-curricular	4,812	318	5,130	-
<b>Total</b>	<b>\$ 17,552</b>	<b>\$ 18,436</b>	<b>\$ 21,682</b>	<b>\$ 14,306</b>
<b>Lincoln Park</b>				
Co-curricular	\$ 26,972	\$ 7,089	\$ 17,980	\$ 16,081
Extra-curricular	2,425	267	1,225	1,467
<b>Total</b>	<b>\$ 29,397</b>	<b>\$ 7,356</b>	<b>\$ 19,205</b>	<b>\$ 17,548</b>
<b>Lowell</b>				
Co-curricular	\$ 11,745	\$ 20,524	\$ 17,375	\$ 14,894
Extra-curricular	13,003	12,059	12,527	12,535
<b>Total</b>	<b>\$ 24,748</b>	<b>\$ 32,583</b>	<b>\$ 29,902</b>	<b>\$ 27,429</b>

INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA

Statement I-8  
(Continued)

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
ELEMENTARY SCHOOLS, UNITY AND PUBLIC SCHOOL STADIUM-STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

<u>Activity</u>	<u>Cash Balance 6/30/2008</u>	<u>Receipts and Transfers In</u>	<u>Disbursements and Transfers Out</u>	<u>Cash Balance 6/30/2009</u>
<b>Elementary (Continued)</b>				
<b>Nettleton</b>				
Co-curricular	\$ 27,287	\$ 8,294	\$ 7,891	\$ 27,690
Extra-curricular	6,140	6,388	3,772	8,756
<b>Total</b>	<b>\$ 33,427</b>	<b>\$ 14,682</b>	<b>\$ 11,663</b>	<b>\$ 36,446</b>
<b>Piedmont</b>				
Co-curricular	\$ 2,814	\$ 5,865	\$ 5,510	\$ 3,169
Extra-curricular	255	10,572	9,915	912
<b>Total</b>	<b>\$ 3,069</b>	<b>\$ 16,437</b>	<b>\$ 15,425</b>	<b>\$ 4,081</b>
<b>Rockridge</b>				
Co-curricular	\$ 3,968	\$ 8,677	\$ 6,571	\$ 6,074
<b>Total</b>	<b>\$ 3,968</b>	<b>\$ 8,677</b>	<b>\$ 6,571</b>	<b>\$ 6,074</b>
<b>Stowe</b>				
Co-curricular	\$ 31,166	\$ 16,364	\$ 14,680	\$ 32,850
<b>Total</b>	<b>\$ 31,166</b>	<b>\$ 16,364</b>	<b>\$ 14,680</b>	<b>\$ 32,850</b>
<b>Total Elementary</b>	<b>\$ 209,591</b>	<b>\$ 230,185</b>	<b>\$ 218,147</b>	<b>\$ 221,629</b>
<b>ALC</b>				
Extra-curricular	\$ 1,476	\$ 5	\$ 363	\$ 1,118
<b>Barnes Early Childhood</b>				
Co-curricular	\$ 2,601	\$ 3,392	\$ 3,414	\$ 2,579
<b>Merritt Crk Academy</b>				
Co-curricular	\$ 2,465	\$ 9,247	\$ 2,656	\$ 9,056
<b>Public School Stadium</b>				
Co-curricular	\$ 1,805	\$ 39,299	\$ 39,204	\$ 1,900
<b>Unity</b>				
Co-curricular	\$ 28,528	\$ 1,610	\$ 110	\$ 30,028
<b>Woodland Hills</b>				
Co-curricular	\$ 2,431	\$ 5,850	\$ 6,179	\$ 2,102
<b>Total Student Activities</b>	<b>\$ 248,897</b>	<b>\$ 289,588</b>	<b>\$ 270,073</b>	<b>\$ 268,412</b>

**INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA**

**SCHEDULE OF CASH RECEIPTS  
SECONDARY SCHOOLS - STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

<u>Receipts</u>	<u>Central</u>	<u>Denfeld</u>	<u>East</u>	<u>Secondary Technical Center</u>
Advertising	\$ 3,828	\$ 9,610	\$ 14,900	\$ -
Book fines	109	590	781	-
Concession Sales	5,331	18,900	17,981	-
Donations	10,225	29,633	70,363	6,876
Fund Raising	71,202	142,839	67,839	21,005
Gate Admissions	95,264	81,952	194,926	335
Interest	732	3,107	1,059	899
Library Fines	338	654	93	-
Miscellaneous	22,319	23,140	53,316	-
Participation Fees	12,122	61,155	237,198	36,142
Picture and Yearbook Sales	6,621	4,506	6,601	-
School Store	25,849	2,918	60,874	-
Testing	4,163	2,226	6,038	283
Vending Machines	6,482	5,641	5,622	2,997
<b>Total Classified by Source</b>	<b>\$ 264,584</b>	<b>\$ 386,871</b>	<b>\$ 737,591</b>	<b>\$ 68,537</b>
<b>Unclassified *</b>	<b>129,587</b>	<b>183,150</b>	<b>236,625</b>	<b>3,335</b>
<b>Total Receipts</b>	<b><u>\$ 394,171</u></b>	<b><u>\$ 570,021</u></b>	<b><u>\$ 974,216</u></b>	<b><u>\$ 71,872</u></b>

\* Includes transfers between school site activities' accounts, participation fees, reimbursement transactions, and fund raising receipts reported net of related disbursements.

<b>Morgan Park</b>	<b>Ordean</b>	<b>Woodland</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ 28,338
81	677	233	2,471
-	-	-	42,212
5,604	9,093	17,522	149,316
41,423	19,321	29,724	393,354
-	21,857	-	394,333
756	250	435	7,238
170	654	-	1,910
2,728	3,572	297	105,372
30,698	14,058	15,720	407,095
5,576	8,137	8,743	40,183
2,884	-	3,555	96,080
-	-	-	12,710
2,403	1,109	1,639	25,893
<b>\$ 92,325</b>	<b>\$ 78,729</b>	<b>\$ 77,868</b>	<b>\$ 1,706,505</b>
<b>21,763</b>	<b>14,567</b>	<b>19,845</b>	<b>608,872</b>
<b>\$ 114,088</b>	<b>\$ 93,296</b>	<b>\$ 97,713</b>	<b>\$ 2,315,377</b>



**INDEPENDENT SCHOOL DISTRICT 709  
DULUTH, MINNESOTA**

**SCHEDULE OF CASH DISBURSEMENTS  
SECONDARY SCHOOLS - STUDENT ACTIVITIES ACCOUNTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

<b>Disbursements</b>	<b>Central</b>	<b>Denfeld</b>	<b>East</b>	<b>Secondary Technical Center</b>
Consulting/Fees For Service	\$ 36,944	\$ 34,233	\$ 45,521	\$ 250
Fees and Admissions	24,756	42,297	82,580	13,061
General Supplies	77,254	163,310	206,082	1,594
Instructional Supplies	31,393	-	26,536	10,486
Library Books	-	-	840	-
Materials For Resale	34,647	48,322	41,772	12,832
Memberships	4,034	9,441	6,733	4,929
Miscellaneous	13,347	12,314	50,147	-
Postage and Express	89	19	1,156	17
Testing	2,872	1,469	4,124	135
Telephone	151	-	96	-
Transportation	3,167	16,531	-	1,035
Travel In-District	15,854	5,292	25,349	6,171
Travel Out-of-District	5,036	6,597	243,750	14,186
<b>Total Classified by Object</b>	<b>\$ 249,544</b>	<b>\$ 339,824</b>	<b>\$ 734,686</b>	<b>\$ 64,696</b>
<b>Unclassified *</b>	<b>129,586</b>	<b>183,151</b>	<b>236,622</b>	<b>3,335</b>
<b>Total Expenditures</b>	<b>\$ 379,130</b>	<b>\$ 522,975</b>	<b>\$ 971,308</b>	<b>\$ 68,031</b>

\* Includes transfers between school site activities' accounts, reimbursement transactions, and fund raising receipts reported net of related disbursements.

<b>Morgan Park</b>	<b>Ordean</b>	<b>Woodland</b>	<b>Total</b>
\$ 6,008	\$ 8,105	\$ 2,539	\$ 133,600
23,729	19,988	12,381	218,792
16,770	8,356	17,568	490,934
-	8,661	2,892	79,968
205	146	-	1,191
31,024	18,574	25,259	212,430
-	130	205	25,471
1,273	2,834	-	79,916
19	63	96	1,459
-	-	-	8,600
-	-	-	247
8,444	14,018	6,417	49,612
-	1,135	6,900	60,701
-	499	1,086	271,155
<b>\$ 87,472</b>	<b>\$ 82,509</b>	<b>\$ 75,344</b>	<b>\$ 1,634,075</b>
<b>21,762</b>	<b>14,567</b>	<b>19,845</b>	<b>608,868</b>
<b>\$ 109,234</b>	<b>\$ 97,076</b>	<b>\$ 95,189</b>	<b>\$ 2,242,943</b>

INDEPENDENT SCHOOL DISTRICT NO. 709  
DULUTH, MINNESOTA

FISCAL COMPLIANCE TABLE  
JUNE 30, 2009

GENERAL FUND	Audit	UFARS	Audit - UFARS	06 BUILDING CONSTRUCTION	Audit	UFARS	Audit - UFARS
Total Revenue	\$101,938,113	<u>\$101,936,113</u>	\$0	Total Revenue	\$5,992,109	<u>\$5,992,108</u>	\$1
Total Expenditures	\$104,732,531	<u>\$104,732,530</u>	\$1	Total Expenditures	\$29,338,994	<u>\$29,338,994</u>	\$0
<i>Reserved:</i>				<i>Reserved:</i>			
4.03 Staff Development	\$500,410	<u>\$500,410</u>	\$0	4.07 Capital Projects Levy	\$0	<u>\$0</u>	\$0
4.05 Deferred Maintenance	\$0	<u>\$0</u>	\$0	4.09 Alternative Facility Program	\$2,503,162	<u>\$2,503,162</u>	\$0
4.06 Health and Safety	\$0	<u>\$0</u>	\$0	4.13 Project Funded by COP	\$87,812,507	<u>\$87,812,507</u>	\$0
4.07 Capital Projects Levy	\$0	<u>\$0</u>	\$0	4.19 Encumbrances	\$33,946,765	<u>\$33,946,765</u>	\$0
4.08 Cooperative Revenue	\$0	<u>\$0</u>	\$0	<i>Unreserved:</i>			
4.11 Severance Pay	\$2,000,000	<u>\$2,000,000</u>	\$0	4.22 Unreserved/Undesignated	\$20,688,370	<u>\$20,688,369</u>	\$1
4.14 Operating Debt	\$0	<u>\$0</u>	\$0				
4.16 Levy Reduction	\$0	<u>\$0</u>	\$0	<b>07 DEBT SERVICE</b>			
4.17 Taconite Building Maint	\$0	<u>\$0</u>	\$0	Total Revenue	\$12,494,449	<u>\$12,494,449</u>	\$0
4.19 Encumbrances	\$0	<u>\$0</u>	\$0	Total Expenditures	\$11,678,901	<u>\$11,678,901</u>	\$0
4.23 Certain Teacher Programs	\$0	<u>\$0</u>	\$0	<i>Reserved:</i>			
4.24 Operating Capital	\$2,142,492	<u>\$2,142,492</u>	\$0	4.25 Bond Refundings	\$0	<u>\$0</u>	\$0
4.26 \$25 Taconite	\$0	<u>\$0</u>	\$0	4.51 QZAB Payments	\$0	<u>\$0</u>	\$0
4.27 Disabled Accessibility	\$0	<u>\$0</u>	\$0	<i>Unreserved:</i>			
4.28 Learning & Development	\$0	<u>\$0</u>	\$0	4.22 Unreserved/Undesignated	\$1,752,187	<u>\$1,752,187</u>	\$0
4.34 Area Learning Center	\$0	<u>\$0</u>	\$0				
4.35 Contracted Alt. Programs	\$0	<u>\$0</u>	\$0	<b>08 TRUST</b>			
4.36 State Approved Alt. Program	\$0	<u>\$0</u>	\$0	Total Revenue	\$300,456	<u>\$300,457</u>	(\$1)
4.38 Gifted & Talented	\$9,595	<u>\$9,595</u>	\$0	Total Expenditures	\$238,694	<u>\$238,694</u>	\$0
4.41 Basic Skills Programs	\$181,651	<u>\$181,651</u>	\$0	<i>Reserved:</i>			
4.45 Career Tech Programs	\$0	<u>\$0</u>	\$0	4.19 Encumbrances	\$0	<u>\$0</u>	\$0
4.46 First Grade Preparedness	\$0	<u>\$0</u>	\$0	<i>Unreserved:</i>			
4.49 Safe School Crime	\$0	<u>\$0</u>	\$0	4.22 Unreserved/Undesignated	\$1,847,471	<u>\$1,847,471</u>	\$0
4.50 Pre-Kindergarten	\$0	<u>\$0</u>	\$0				
4.51 QZAB Payments	\$0	<u>\$0</u>	\$0	<b>09 AGENCY</b>			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	<i>Unreserved:</i>			
4.53 Unfunded Sev & Retiremt Levy	\$0	<u>\$0</u>	\$0	4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0
<i>Unreserved:</i>							
4.18 Severance-Ins. Premium	\$2,499,511	<u>\$2,499,511</u>	\$0	<b>20 INTERNAL SERVICE</b>			
4.22 Unreserved/Undesignated	\$11,248,206	<u>\$11,248,205</u>	\$1	Total Revenue	\$0	<u>\$0</u>	\$0
				Total Expenditures	\$0	<u>\$0</u>	\$0
<b>02 FOOD SERVICES</b>				<i>Reserved:</i>			
Total Revenue	\$3,307,253	<u>\$3,307,253</u>	\$0	4.19 Encumbrances	\$0	<u>\$0</u>	\$0
Total Expenditures	\$3,235,153	<u>\$3,235,153</u>	\$0	<i>Unreserved:</i>			
<i>Reserved:</i>				4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0
4.11 Severance	\$0	<u>\$0</u>	\$0				
4.19 Encumbrances	\$0	<u>\$0</u>	\$0	<b>25 OPEB REVOCABLE TRUST</b>			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	Total Revenue	\$0	<u>\$0</u>	\$0
<i>Unreserved:</i>				Total Expenditures	\$0	<u>\$0</u>	\$0
4.18 Severance-Ins. Premium	\$0	<u>\$0</u>	\$0	<i>Reserved:</i>			
4.22 Unreserved/Undesignated	\$494,998	<u>\$494,998</u>	\$0	4.19 Encumbrances	\$0	<u>\$0</u>	\$0
				<i>Unreserved:</i>			
<b>04 COMMUNITY SERVICE</b>				4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0
Total Revenue	\$11,564,856	<u>\$11,564,855</u>	\$1				
Total Expenditures	\$11,836,966	<u>\$11,836,966</u>	\$0	<b>45 OPEB IRREVOCABLE TRUST</b>			
<i>Reserved:</i>				Total Revenue	\$0	<u>\$0</u>	\$0
4.11 Severance	\$0	<u>\$0</u>	\$0	Total Expenditures	\$0	<u>\$0</u>	\$0
4.19 Encumbrances	\$0	<u>\$0</u>	\$0	<i>Reserved:</i>			
4.26 \$25 Taconite	\$0	<u>\$0</u>	\$0	4.19 Encumbrances	\$0	<u>\$0</u>	\$0
4.31 Community Education	\$184,038	<u>\$184,038</u>	\$0	<i>Unreserved:</i>			
4.32 E.C.F.E	\$187,329	<u>\$187,329</u>	\$0	4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0
4.44 School Readiness	\$46,916	<u>\$46,916</u>	\$0				
4.47 Adult Basic Education	\$69,811	<u>\$69,811</u>	\$0	<b>47 OPEB DEBT SERVICE</b>			
4.52 OPEB Liab Not In Trust	\$0	<u>\$0</u>	\$0	Total Revenue	\$0	<u>\$0</u>	\$0
<i>Unreserved:</i>				Total Expenditures	\$0	<u>\$0</u>	\$0
4.18 Severance-Ins. Premium	\$0	<u>\$0</u>	\$0	<i>Reserved:</i>			
4.22 Unreserved/Undesignated	(\$101,974)	<u>(\$101,975)</u>	\$1	4.25 Bond Refundings	\$0	<u>\$0</u>	\$0
				<i>Unreserved:</i>			
				4.22 Unreserved/Undesignated	\$0	<u>\$0</u>	\$0

*Unaudited Data Reporting Elements*  
**FY09 SAFE SCHOOL MAINTENANCE OF EFFORT**  
 MOE Base Year Expenditures \$3,391,941.00  
 MOE FTE 41.90

**FY09 OPERATING CAPITAL TRANSFER**  
 Per Pupil Amount \$0.00  
 AMCPU \$0.00  
 Total Transfer \$0.00