SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA

FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION

FOR THE YEAR ENDED JUNE 30, 2018

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ADAMS, MINNESOTA
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SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
BOARD OF DIRECTORS AND ADMINISTRATION
JUNE 30, 2018

	2017 - 2018	Representative of School District
Jerry Reshetar	Board Member	Glenville-Emmons
Jeff Sampson	Board Member	Southland / Leroy-Ostrander
Bryan Boysen	Board Member	Lyle
Paul Besel	Board Member	Grand Meadow
James Hechimovich	Board Member	Kingsland
Brian Shanks	Board Member	Alden-Conger

Special Education Director

Dan Armagost

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SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA

FINANCIAL SECTION

JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Southern Minnesota Special Education Consortium #6083
Adams, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Southern Minnesota Special Education Consortium #6083, Adams, Minnesota as of and for the year ended June 30, 2018, which collectively comprise the Consortium's basic financial statements and the related notes to the financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Southern Minnesota Special Education Consortium #6083, Adams, Minnesota as of June 30, 2018, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Consortium's basic financial statements. The introductory section, supplementary information, and Uniform Financial Accounting and Reporting Standards Compliance Table are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and Uniform Financial Accounting and Reporting Standards Compliance Table are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain addition procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and Uniform Financial Accounting and Reporting Standards Compliance Table are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Matters (Continued)

Report on Summarized Comparative Information

The financial statements include partial prior year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Consortium's financial statement for the year ended June 30, 2017, from which such partial information was derived.

We have previously audited the Consortium's 2017 financial statements and our report, dated November 30, 2017, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2018, on our consideration of the Consortium's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Consortium's internal control over financial reporting and compliance.

Smith, Schafer and Associates, Ltd.

Rochester, Minnesota
November 29, 2018

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SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Southern Minnesota Special Education Consortium's annual financial report presents our discussion and analysis of the Consortium's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the Consortium's financial statements, which immediately follow this section.

Overview of Southern Minnesota Special Education Consortium Services

The Southern Minnesota Special Education Consortium delivers services through a cooperative concept of efficiency and economy while preserving local autonomy. All of the educational services are provided to its member districts on a collective and/or individual basis within the framework of policies and joint powers agreement set by the organization and applicable state and federal regulations. It has been the primary purpose of the Southern Minnesota Special Education Consortium to contract with its member school districts for administrative/managerial, teachers, licensed and non-licensed personnel in special education. The organizations primary mission is to assist members in providing educational opportunities for "at risk" learners and students with disabilities that help them become successful participants in society both now and in their adult lives.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2017-2018 fiscal year include the following:

- Overall General Fund revenues were $4,006,518 as compared to $3,973,681 of expenditures.
- General Fund Unassigned Fund Balance at June 30, 2018 decreased to $263,213.

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 basic financial statements include two kinds of statements that present different views of the Consortium:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Consortium's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the Consortium, reporting the Consortium's operations in more detail than the government-wide financial statements.

- The governmental funds statements tell how basic special education services were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Consortium as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Consortium's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Consortium's net position and how it has changed. Net position, the difference between the Consortium's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are one way to measure the Consortium's financial health or position. Over time, increases or decreases in the Consortium's net position is an indicator of whether its financial position is improving or deteriorating.

In the government-wide financial statements the Consortium's activities are shown in one category titled Governmental Activities. The Consortium's basic services such as special education instruction are included here. These activities are financed mainly by participating district's revenues and federal funds.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Consortium's fund. Funds are accounting devices the Consortium used to keep track of specific sources of funding and spending on particular programs.

Governmental funds – All of the Consortium's basic services are included in a single governmental fund. The focus of the governmental fund is how cash and other financial assets can be converted to cash flow in and out, and the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Consortium's programs.

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CONSORTIUM AS A WHOLE

Net Position. The Consortium's net position was $195,735 on June 30, 2018. This was an decrease of $47,992 from the prior year.

	Total	
	2018	2017
Assets		
Current and other assets	$ 2,001,706	$ 1,264,957
Capital assets	235,505	
Total assets	2,237,211	1,264,957
Deferred Outflows of Resources		
Total deferred outflows of resources	1,565,394	1,397,539
Liabilities		
Current liabilities	3,637,333	792,839
Long-Term liabilities	2,140,582	1,622,974
Total liabilities	3,637,333	2,415,813
Deferred Inflows of Resources		
Total deferred inflows of resources	97,036	2,956
Net Position		
Investment in capital assets	235,505	
Restricted	12,898	
Unrestricted	(180,167)	243,727
Total net position	$ 68,236	$ 243,727

FINANCIAL ANALYSIS OF THE CONSORTIUM AS A WHOLE (CONTINUED)

Consortium's Revenue. The Consortium's total revenues were $4,006,518 for the year ended June 30, 2018, compared to $2,934,371 for the year ended June 30, 2017.

A condensed version of the Statement of Activities follows:

	Total	
	2018	2017
Revenue		
Program revenues:		
Charges for services	$ 1,164,778	$ 1,292,884
Operating grants and contributions	2,839,391	1,640,671
General revenues:		
Investment earnings	1,149	816
Miscellaneous	1,200	
Total revenues	4,006,518	2,934,371
Expenses		
District support services	174,504	86,762
Regular instruction	156,499	46,763
Vocational instruction	8,924	
Special education instruction	3,838,592	2,739,829
Pupil support services	3,490	
Total expenses	4,182,009	2,873,354
Change in net position	(175,491)	61,017
Net position, beginning of year	243,727	182,710
Net position, end of year	$ 68,236	$ 243,727

FINANCIAL ANALYSIS OF THE CONSORTIUM'S FUND

The financial performance of the Consortium as a whole is reflected in its governmental fund as well. As the Consortium completed the year, its governmental fund reported a fund balance of $504,955, an increase of $32,837 from last year's ending fund balance of $472,118.

General Fund

The General Fund revenues increased by $1,094,325 primarily due to more students in the Level III and ALC programs along with an increase in bill backs to districts for shared staff.

The General Fund expenditures increased by $1,379,700 primarily due to more contracts being held by SMEC, addition of three more Level III programs and purchase of land for new building.

CAPITAL ASSETS

Capital Assets. As of June 30, 2018**,** the Consortium had invested $235,505 in land and construction in process for a new alternative learning center building. Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is $1,000. Donated capital assets are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the Government-wide financial statements, but are not reported in the Fund financial statements.

	Total 2018
Land	$ 123,645
Construction in process	111,860
Total	$ 235,505

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

FACTORS BEARING ON THE CONSORTIUM'S FUTURE

The Southern Minnesota Special Education Consortium was formed as a result of a mandate from the Minnesota Department of Education that stated July 1, 2009 a school district could no longer serve as a fiscal host for federal special education funds for other districts. Since Grand Meadow, Lyle, Leroy-Ostrander, Glenville-Emmons and Southland had been sharing a director, staff and resources for many years forming a cooperative seemed the best option. All federal special education funds for the five districts are received by the Consortium.

Fiscal changes to special education tuition billing, child count, federal allocation and regular aid entitlement impact the Consortium's and member districts' annual special education billings and payments.

The Consortium will strive to maintain its long-standing commitment to academic excellence and education opportunities for students within a framework of financial fiduciary responsibility.

The Consortium now offers Level III Special Education programs in all areas and has a transition program (STEP) for students.

In 2015-1016 the Consortium added two school districts with Kingsland and Alden-Conger. In 2016-2017 the Consortium started their Alternative Learning Center and moved all the Level III Special Education programs from the member districts to the Consortium.

SMEC is currently working to secure financing to build a new facility that would house the Consortium's Level IV and ALC programs along with office space. The goal is to have the building operation by December 2019.

CONTACTING THE CONSORTIUM'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Consortium's finances and to demonstrate the Consortium's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Southern Minnesota Special Education Consortium, 203 2nd Street NW, Adams, 55909.

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
STATEMENT OF NET POSITION
June 30, 2018
With Comparative Data as of June 30, 2017

	Governmental Activities	
	2018	2017
Assets		
Cash and cash equivalents	$ 103,972	$ 388,894
Receivables	2,800	
Due from other governmental units	1,829,230	813,907
Prepaid expenses	65,704	62,156
Capital assets:		
Non-depreciable	235,505	
TOTAL ASSETS	2,237,211	1,264,957
Deferred Outflows of Resources		
Deferred outflows from pension activity	1,565,394	1,397,539
Liabilities		
Accounts payable	929	
Salaries and accrued liabilities payable	107,980	69,922
Due to other governmental units	1,387,842	722,917
Net pension liability	2,140,582	1,622,974
TOTAL LIABILITIES	3,637,333	2,415,813
Deferred Inflows of Resources		
Deferred inflows from pension activities	97,036	2,956
Net Position		
Investment in capital assets	235,505	
Restricted	12,898	
Unrestricted	(180,167)	243,727
TOTAL NET POSITION	$ 68,236	$ 243,727

See Notes to Financial Statements

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2018
With Comparative Data for the Year Ended June 30, 2017

	2018				2017
		Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Total Governmental Activities
Functions/Programs					
District support services	$ 174,504	$	$	$ (174,504)	$ (86,762)
Regular instruction	156,499			(156,499)	(46,763)
Vocational Instruction	8,924			(8,924)	
Special education instruction	3,838,592	1,164,778	2,839,391	165,577	193,726
Pupil support services	3,490			(3,490)	
Total governmental activities	$ 4,182,009	$ 1,164,778	$ 2,839,391	(177,840)	60,201
General Revenues:					
Investment earnings				1,149	816
Miscellaneous				1,200	
Total general revenues				2,349	816
Change in net position				(175,491)	61,017
Net Position - Beginning				243,727	182,710
Net Position - Ending				$ 68,236	$ 243,727

See Notes to Financial Statements

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2018
With Comparative Data as of June 30, 2017

	General Fund	
	2018	2017
ASSETS		
Cash	$ 103,972	$ 388,894
Accounts receivables	2,800	
Due from other Minnesota Districts	467,682	345,077
Due from Minnesota Department of Education	1,044,872	369,158
Due from Federal through Minnesota Department of Education	264,667	82,530
Due from other governmental units	52,009	17,142
Prepaid expenses	65,704	62,156
TOTAL ASSETS	$ 2,001,706	$ 1,264,957
LIABILITIES		
Accounts payable	$ 929	$
Salaries and accrued liabilities	107,980	69,922
Due to other Minnesota Districts	1,387,842	722,917
TOTAL LIABILITIES	1,496,751	792,839
FUND BALANCE		
Nonspendable	65,704	62,156
Restricted	12,898	
Assigned	163,140	
Unassigned	263,213	409,962
TOTAL FUND BALANCE	504,955	472,118
TOTAL LIABILITIES AND FUND BALANCE	$ 2,001,706	$ 1,264,957

See Notes to Financial Statements

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
RECONCILIATION OF NET POSITION IN THE
DISTRICT-WIDE FINANCIAL STATEMENTS AND FUND BALANCE
IN THE FUND BASIS FINANCIAL STATEMENTS
June 30, 2018

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

Total governmental fund balances (page 12)	$	504,955
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental funds - capital assets		235,505
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability		(672,224)
Net position of governmental activities (page 10)	$	68,236

See Notes to Financial Statements

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended June 30, 2018
With Comparative Data for the Year Ended June 30, 2017

	General Fund	
	2018	2017
REVENUES		
Investment earnings	$ 1,149	$ 816
Other local sources	1,165,978	1,292,884
State Sources	2,152,708	1,021,922
Federal sources	686,683	596,571
TOTAL REVENUES	4,006,518	2,912,193
EXPENDITURES		
District support services	174,504	86,762
Regular instruction	128,370	47,370
Vocational instruction	8,924	
Special education	3,547,197	2,459,849
Pupil support services	2,826	
Sites, buildings, and equipment	111,860	
TOTAL EXPENDITURES	3,973,681	2,593,981
NET CHANGE IN FUND BALANCE	32,837	318,212
FUND BALANCE - BEGINNING	472,118	153,906
FUND BALANCE - ENDING	$ 504,955	$ 472,118

See Notes to Financial Statements

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds (page 14)	$	32,837
Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays		235,505
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in net pension liability		(443,833)
Change in net position of governmental activities (pages 11)	$	(175,491)

See Notes to Financial Statements

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2018
With Partial Comparative Data for the Year Ended June 30, 2017

	Budgeted Amounts		2018	Over (Under)	2017
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Investment earnings	$	$	$ 1,149	$ 1,149	$ 816
Other local sources	1,624,832	1,624,832	1,165,978	(458,854)	1,292,884
State Sources	846,389	846,389	2,152,708	1,306,319	1,021,922
Federal sources	717,045	717,045	686,683	(30,362)	596,571
TOTAL REVENUES	3,188,266	3,188,266	4,006,518	818,252	2,912,193
EXPENDITURES					
District support services	110,000	110,000	174,504	64,504	86,762
Regular instruction	104,940	104,940	128,370	23,430	47,370
Vocational instruction			8,924	8,924	
Special education instruction	2,941,202	2,941,202	3,547,197	605,995	2,459,849
Pupil support services			2,826	2,826	
Sites, buildings, and equipment			111,860	111,860	
TOTAL EXPENDITURES	3,156,142	3,156,142	3,973,681	817,539	2,593,981
NET CHANGE IN FUND BALANCE	32,124	32,124	32,837	713	318,212
FUND BALANCE - BEGINNING	472,118	472,118	472,118		153,906
FUND BALANCE - ENDING	$ 504,242	$ 504,242	$ 504,955	$ 713	$ 472,118

See Notes to Financial Statements

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

1. Summary of Significant Accounting Policies

Southern Minnesota Special Education Consortium #6083 (the Consortium) is a public agency established on July 21, 2009, pursuant to Minnesota Statutes, Section 471.59 (Joint Powers Act). This agreement was updated on February 10th, 2015. The primary objective of the Consortium is to provide special education programs and services efficiently and effectively to its group of seven Independent School Districts.

The governing body consists of superintendents from each of the seven member districts. These Districts are: Lyle #497, LeRoy-Ostrander #499, Glenville-Emmons #2886, Southland #500, Grand Meadow #495, Kingsland #2137 and Alden-Conger #242.

The accounting policies of the Consortium conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

Accounting principles generally accepted in the United States of America (GAAP) require that the Consortium's financial statements include all funds, account groups, departments, agencies, boards, commissions, and other organizations which are not legally separated from the Consortium. In addition, the Consortium’s financial statements are to include all component units - entities for which the Consortium is financially accountable.

The criteria for including organizations as component units within the Consortium's reporting entity, as set forth in Governmental Accounting Standards Board (GASB) accounting reporting standards, include whether the organization is legally separate (can sue and be sued in their own name), holds the corporate powers of the organization, appoints a voting majority of the organization's board, is able to impose its will on the organization, the organization has the potential to impose a financial benefit/burden on the Consortium, and there is fiscal dependency by the organization on the Consortium. Based on the aforementioned criteria, the Consortium has no component units.

Basic Financial Statement Presentation

The Government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the Consortium.

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

1. Summary of Significant Accounting Policies (Continued)

Basic Financial Statement Presentation (continued)

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, restricted resources are applied first. The School Board reports all direct expenses by function in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense, and is reported separately on the Statement of Activities. Generally, the effect of material interfund activity has been removed from the Government-wide financial statements.

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

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Governmental fund types are accounted for using the current financial resource measurement focus and the modified accrual basis of accounting. Under this method revenues are recognized when susceptible to accrual, i.e. both measurable and available to finance expenditures of the fiscal period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Minnesota statutes generally control when state aid revenues should be recognized. Federal revenues are recorded in the year in which the eligible expenditures are made. If the amounts of Minnesota or federal revenues cannot be reasonably estimated or realization is not reasonably assured, they are not recorded as revenue in the current year. Special education revenue and property taxes are received by individual school districts; the Consortium then bills schools on a pro rata share of their total expenditures.

Expenditures are generally recognized using the modified accrual basis of accounting when a related fund liability is incurred. Exceptions to this rule include (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

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

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

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Unearned revenue is recorded when assets are recognized before revenue recognition criteria have been satisfied. Grants received before eligibility requirements other than time requirements are met and recorded as unearned revenue. Grants received before time requirements are met are recorded as a deferred inflow of resources.

Description of Funds

The existence of the various Consortium funds has been established by the State of Minnesota, Department of Education. The accounts of the Consortium are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund equity, revenues and expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of the individual funds in the governmental fund category) for the determination of major funds.

The major fund of the Consortium is presented as follows:

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes all revenues and expenditures for general operation, special education programs, transportation and capital expenditures.

Budgets and Budgetary Accounting

Budgets presented in this report for comparison to actual amounts are presented in accordance with accounting principles generally accepted in the United States of America. Each June, the Board of Directors adopts an annual budget for the following fiscal year for the General Fund. Reported budget amounts represent the amended budget as adopted by the Board of Directors. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Consortium Director submits to the Consortium Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by Board of Directors action. Revisions to budgeted amounts must be approved by the Board of Directors.

Total fund expenditures in excess of the budget require approval of the Board of Directors. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

Use of Estimates

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

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consists of an interest bearing account.

Accounts Receivable

Represents amounts receivable from the Minnesota Department of Education. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

Prepaid Expenses

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

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 value at the date of donation. The Consortium maintains a threshold level of $1,000 for capitalizing assets. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the lives are not capitalized. As of June 30, 2018, the Consortium has no capital assets.

Deferred Outflows of Resources

In addition to assets, the financial statements will sometimes report a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The Consortium has one type of item which occurs related to revenue recognition. The deferred outflow of resources is pension related.

Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate financial statement element, deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Consortium has one type of item which occurs related to revenue recognition. The deferred outflow of resources is pension related.

Risk Management

The Consortium is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters and workers compensation. The member districts individual insurance pools and commercial insurance coverage cover these risks.

1. Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in the Government-wide financial statements. Net position 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 position is reported as restricted in the Government-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Pensions

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

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 6.

Prior Period Comparative Financial Data

The basic financial statements include certain prior-year partial comparative data in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such data should be read in conjunction with the government's financial statements for the year ended June 30, 2017, from which the summarized data was derived.

Reclassifications

Certain reclassifications have been made to the June 30, 2017 financial statements in order for them to be in conformity with the presentation in June 30, 2018 financial statements.

2. Stewardship and Accountability

Excess of Expenditures Over Budget

Expenditures exceed budgeted amounts in the general fund.

	Budget	Expenditures	Excess
General Fund	$ 3,156,142	$ 3,973,681	$ 817,539

Excess expenditures were the result of planned process.

3. Cash and Investments

Summary of Cash and Investments

As of June 30, 2018, the Consortium's cash and cash equivalents consisted of the following items, all of which are held in an internal investment pool:

Deposits	$	103,972
Total Cash and cash equivalents reported on the Statement of Net Position	$	103,972

Investments Authorized by Minnesota Statues

The Consortium is authorized by Minnesota Statues to invest idle funds as follows:

a) Direct obligations or obligations guaranteed by the United States or its agencies.

b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and receives the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.

c) General obligations rated "A" or better; revenue obligations rated "AA" or better.

d) General obligations of the Minnesota Housing Finance Agency rated "A" or better.

e) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.

f) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.

g) Repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

h) Guaranteed Investments Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories.

3. Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Consortium's deposits may not be returned to it. The Consortium's does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits.

The Consortium maintains a single insurance bearing account. In accordance with Minnesota Statutes, the Consortium maintains deposits at financial institutions which are authorized by the Consortium's Board of Directors.

Minnesota Statues require that all Consortium deposits be insured, secured by surety bonds or be collateralized. Except for notes secured by first mortgages of future maturity, the market value of collateral pledged by the custodial bank must equal 110% of the deposits not covered by insurance or surety bonds. At June 30, 2018, none of the Consortium's deposits were uninsured and uncollateralized.

Authorized collateral includes certain state or local government obligations and legal investments. Minnesota Statues also require that securities pledged as collateral be held in safekeeping by the Treasurer, or in a financial institution other than the institution furnishing the collateral.

Credit Risk

The Consortium has no investment policy that would limit its investment choices.

Concentration of Credit Risk

The Consortium places no limit on the amount the Consortium may invest in any one issuer.

Interest Rate Risk

The Consortium does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair Value Measurement

The Consortium uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Consortium follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements.

3. Cash and Investments (Continued)

Fair Value Measurement (continued)

In accordance with this standard, the Consortium has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

There were no assets measured at fair value on a recurring basis noted at the Consortium.

4. Fund Equity

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Consortium classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained to due constitutional provisions or enabling legislation.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed.
- Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Assignment of fund balances can be made by the Special Education Director. Assignments so made are to be reported to the Board on a monthly basis.

The Consortium uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring for dollar spending. Additionally, the Consortium would first use committed, then assigned, and lastly unassigned amounts of the unrestricted fund balance when expenditures are made.

4. Fund Equity (Continued)

The following is a summary of fund balances as of June 30, 2018:

	2018	2017
Nonspendable		
Prepaid expenses	$ 65,704	$ 62,156
Restricted		
Medical assistance	12,898	
Assigned		
Facilities	163,140	
Unassigned	263,213	409,962
Total Fund Balance	$ 504,955	$ 472,118

The Uniform Financial Accounting and Reporting Standards (UFARS) fund balance reporting standards are slightly different than the reporting standards under GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. Below is a reconciliation between the fund balances following GASB standards and UFARS reporting standards.

	GASB Balance June 30, 2018	Reconciling Balance	UFARS Balance June 30, 2018	UFARS Balance June 30, 2017
Nonspendable				
Prepaid expenses	$ 65,704		$ 65,704	$ 62,156
Restricted				
Medical assistance	12,898		12,898	
Assigned				
Facilities	163,140		163,140	
Unassigned	263,213		263,213	409,962
Total Fund Balance	$ 504,955	$	$ 504,955	$ 472,118

5. Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2018 are as follows:

Fund	Minnesota Department of Education	Federal Government Through MDE	Other Minnesota School Districts	Other Governmental Units	Total
General	$ 1,044,872	$ 264,667	$ 467,682	$ 52,009	$ 1,829,230

6. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, not being depreciated				
Land	$	$ 123,645	$	$ 123,645
Construction in process		111,860		111,860
Total capital assets, not being depreciated	$	$ 235,505	$	$ 235,505

7. Defined Benefit Pension Plans – Statewide

The Consortium participates in the following cost-sharing multiple-employer defined benefit pension plans administered by Public Employees Retirement Association of Minnesota (PERA) and the Teacher's Retirement Association (TRA). PERA's and TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes. PERA's and TRA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

Plan Description

1. General Employees Retirement Fund

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

All full-time and certain part-time employees of the Consortium other than teachers are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

2. Teachers Retirement Association (TRA)

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

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

Benefits Provided

1. General Employees Plan Benefits

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

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

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

7. Defined Benefit Pension Plans – Statewide (Continued)

Benefits Provided (Continued))

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

2. TRA Benefits

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

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

Tier I:	Step Rate Formula	Coordinated	Step Rate Formula	Basic
	1st ten years if service years prior to 7-1-06	1.2 percent per year	1st ten years	2.2 percent per year
	1st ten years if service years after 7-1-06	1.4 percent per year	All years after	2.7 percent per year
	All other years if service years prior to 7-1-06	1.7 percent per year		
	All years after 7-1-06	1.9 percent per year		

With these provisions:

a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.

b) 3 percent per year early retirement reduction factors for all years under normal retirement age.

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

Or

7. Defined Benefit Pension Plans – Statewide (Continued)

Benefits Provided (Continued)

Tier II Benefits

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

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

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

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

Contributions

1. General Employees Fund Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.50 percent, respectively, of their annual covered salary in fiscal year 2018. The Consortium was required to contribute 11.78 percent of pay for Basic Plan members and 7.50 percent for Coordinated Plan members in calendar year 2017. The Consortium's contributions to the General Employees Fund for the year ended June 30, 2018 were $15,596. The Consortium's contributions were equal to the required contributions as set by the state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended were:

	Ending June 30, 2018		Ending June 30, 2017	
	Employee	Employer	Employee	Employer
Basic	11.0%	11.5%	11.0%	11.5%
Coordinate	7.5%	7.5%	7.5%	7.5%

7. Defined Benefit Pension Plans – Statewide (Continued)

Contributions (Continued)

The following is a reconciliation of employer contributions in TRA's CAFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations.

Employer contributions reported in TRA's CAFR, Statement of Changes in Fiduciary Net Position	$ 367,791,000
Deduct employer contributions not related to future contribution effort	810,000
Deduct TRA's contributions not included in allocation	(456,000)
Total employer contributions	$ 368,145,000
Total non-employer contributions	35,588,000
Total Contributions reported in Schedule of Employer and Non-Employer Allocations	$ 403,733,000

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

Pension Costs

1. General Employees Fund Pension Costs

At June 30, 2018, the Consortium reported a liability of $204,286 for its proportionate share of the General Employees Fund's net pension liability. The Consortium's net pension liability reflected a reduction due to the State of Minnesota's contribution of $6 million to the fund in 2017. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the Consortium totaled $2,591. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Consortium's proportion of the net pension liability was based on the Consortium's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the Consortium's proportion was 0.0032 percent which was an increase of 0.0026 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Consortium recognized pension expense of $57,289 for its proportionate share of General Employees Plan's pension expense. In addition, the Consortium recognized an additional $75 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of $6 million to the General Employees Fund.

7. Defined Benefit Pension Plans – Statewide (Continued)

Pension Costs (Continued)

At June 30, 2018, the Consortium reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 4,792	$
Changes in actuarial assumptions		14,121
Difference between projected and actual investment earnings		29,407
Changes in proportion	173,877	
Contributions paid to PERA subsequent to the measurement date	15,876	
Total	$ 194,545	$ 43,528

$15,876 reported as deferred outflows of resources related to pensions resulting from Consortium contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Pension Expense Amount
2019	$ 51,265
2020	51,264
2021	41,282
2022	(8,670)

2. TRA Pension Costs

At June 30, 2018, the Consortium reported a liability of $1,936,296 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Consortium's proportion of the net pension liability was based on the Consortium's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School Consortium. The Consortium's proportionate share was 0.0097% at the end of the measurement period and 0.0066% for the beginning of the period.

7. Defined Benefit Pension Plans – Statewide (Continued)

Pension Costs (continued)

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

District's proportionate share of net pension liability	$	1,936,296
State's proportionate share of the net pension liability associated with the consortium	$	186,513

For the year ended June 30, 2018, the Consortium recognized pension expense of $259,045. It also recognized $3,577 as an increase to pension expense for the support provided by direct aid.

At June 30, 2018, the Consortium had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$	$ 13,580
Changes in actuarial assumption		
Difference between projected and actual investment earnings	427,117	39,928
Changes in proportion	888,370	
Contributions paid to TRA subsequent to the measurement date	55,362	
Total	$ 1,370,849	$ 53,508

$55,362 reported as deferred outflows of resources related to pensions resulting from Consortium contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Pension Expense Amount
2019	$ 304,271
2020	304,271
2021	304,270
2022	282,885
2023	66,282

7. Defined Benefit Pension Plans – Statewide (Continued)

Aggregate Pension Costs

Pension expense recognized by the Consortium for the year ended June 30, 2018 is as follows:

General Employees Retirement Fund	$	57,364
TRA		262,622
Total	$	319,986

Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions:

1. General Employees Fund Actuarial Assumptions

Assumptions	PERA
Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for males and females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be one percent per year for the General Employees Plan through 2044 and 2.5 percent thereafter.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015.

The following changes in PERA actuarial assumptions occurred in 2017:

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

7. Defined Benefit Pension Plans – Statewide (Continued)

Actuarial Assumptions (Continued)

2. TRA Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	
Valuation Date	July 1, 2017
Experience Study	June 5, 2015
	November 6, 2017 (economic assumption)
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	5.12%, from the Single Equivalent Interest Rate Calculation
Price Inflation	2.50%
Wage Growth Rate	2.85% for 10 years and 3.25%, thereafter
Projected Salary Increases	2.85 to 8.85% for 10 years and
	3.25 to 9.25%, thereafter
Cost of Living Adjustment	2.00%
Mortality Assumptions:	
Pre-Retirement:	RP-2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projections uses the MP-2015 scale.
Post-Retirement:	RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustment of the rates. Generational projection uses the MP-2015 scale
Post-Disability:	RP-2014 disabled retiree morality table, without adjustment.

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

7. Defined Benefit Pension Plans – Statewide (Continued)

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	39%	5.10%
International Stocks	19%	5.30%
Bonds	20%	0.75%
Alternative Assets	20%	5.90%
Cash	2%	0.00%
Total	100%	

The TRA actuary as determined the average of the expected remaining service lives of all members for the fiscal year 2016 is six years. The Difference Between Expected and Actual Experience, Changes of Assumptions, and Changes in Proportion uses the amortization period of six years in the schedule presented. The amortization period for Net Difference Between Projected and Actual Investment Earnings on the Pension Plan Investments is five years as required by GASB 68.

The following changes in TRA actuarial assumptions since the 2016 valuation:

- The cost of living adjustment (COLA) was assumed to increase from 2.0 percent annually to 2.5 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5 percent, but remain at 2.0 percent for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4 percent to 0.0 percent, the vested inactive load increased from 4.0 percent to 7.0% and the non-vested inactive load increased from 4.0 percent to 9.0 percent.
- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent 2.85 percent for ten years followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

7. Defined Benefit Pension Plans – Statewide (Continued)

Discount Rate

1. General Employees Fund Discount Rate

The discount rate used to measure the total pension liability in 2017 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rates specified in Minnesota Statutes. Based on those assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA Discount Rate

The discount rate used to measure the total pension liability was 5.12 percent. This is an increase from the discount rate at the prior measurement date of 4.66 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal 2017 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be depleted in 2053 and, as a result, the Municipal Bond Index Rate was used in the determination of the Single Equivalent Interest Rate (SEIR). The long-term expected rate of return (7.50 percent) was applied to periods before 2053 and the Municipal Bond Index Rate of 3.56 percent was applied to periods on and after 2053, resulting in a SEIR of 5.12 percent. There was a change in the Municipal Bond Index Rate from the prior year measurement date (3.01 percent).

Pension Liability Sensitivity

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

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
GERF Discount Rate	6.5%	7.5%	8.5%
District's proportionate share of the GERF net pension liability	$ 316,863	$ 204,286	$ 112,121
TRA Discount Rate	4.12%	5.12%	6.12%
District's proportionate share of the TRA net pension liability	$ 2,555,538	$ 1,936,296	$ 1,414,200

7. Defined Benefit Pension Plans – Statewide (Continued)

Pension Plan Fiduciary Net Position

Detailed information about GERF's fiduciary net position is available in a separately-issued PERA financial report. That report may be obtained on the Internet at www.mnpera.org; by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-2409 or 1-800-652-9026.

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA

REQUIRED SUPPLEMENTAL INFORMATION

JUNE 30, 2018

Schedule of Consortium's Contributions
GERF Retirement Funds
Last Ten Years

Fiscal Year Ending June 30	Pension Plan	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	PERA	$	$	$	$	
2016	PERA					
2017	PERA	2,730	2,730		36,400	7.50%
2018	PERA	15,596	15,596		207,947	7.50%
2019						
2020						
2021						
2022						
2023						
2024						

Schedule of Consortium's Contributions
TRA Retirement Funds
Last Ten Years

Fiscal Year Ending June 30	Pension Plan	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	TRA	$	$	$	$	
2016	TRA					
2017	TRA	26,074	26,074		347,653	7.50%
2018	TRA	39,126	39,126		521,680	7.50%
2019						
2020						
2021						
2022						
2023						
2024						

Schedule of Consortium's and Non-Employer Proportionate Share of Net Pension Liability
Public Employees PERA
Last Ten Years (presented prospectively)

Fiscal Year Ended June 30	Consortium's Portion of the Net Pension Liability (Asset)	Consortium's Proportionate Share of the Net Pension Liability (Asset) (a)	Consortium's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability (b)	Share of the Net Pension Liability and Consortium's Share of the State of Minnesota's Share of the Net Pension Liability (a+b)	Consortium's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.0000%	$	$	$	$	0%	78.7%
2015	0.0000%					0%	78.2%
2016	0.0006%	48,717		48,717	36,400	134%	68.9%
2017	0.0032%	204,286		204,286	207,947	98%	75.9%
2018							
2019							
2020							
2021							
2022							
2023							

Schedule of Consortium's and Non-Employer Proportionate Share of Net Pension Liability
TRA
Last Ten Years (presented prospectively)

Fiscal Year Ended June 30	Consortium's Portion of the Net Pension Liability (Asset)	Consortium's Proportionate Share of the Net Pension Liability (Asset) (a)	Consortium's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability (b)	Proportionate Share of the Net Pension Liability and Consortium's Share of the State of Minnesota's Share of the Net Pension Liability (a+b)	Consortium's Covered Payroll	Consortium's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.0000%	$	$	$	$	0%	81.5%
2015	0.0000%					0%	76.8%
2016	0.0066%	1,574,257	158,831	1,733,088	347,653	453%	44.9%
2017	0.0097%	1,936,296	186,513	2,122,809	521,680	371%	51.6%
2018							
2019							
2020							
2021							
2022							

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SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA

COMPLIANCE AND INTERNAL CONTROL REPORTS

JUNE 30, 2018

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SMITH•SCHAFER
& ASSOCIATES, LTD.
Certified Public Accountants and Consultants

Members of American Institute of CPAs,
Private Companies Practice Section, Minnesota Society of CPAs

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

To the Board of Education
Southern Minnesota Special Education Consortium #6083
Adams, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts* promulgated by the Legal Compliance Task Force pursuant to Minnesota Statutes Section 6.65. The financial statements of the governmental activities and the major fund of Southern Minnesota Special Education Consortium #6083, Adams, Minnesota, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises the Consortium's basic financial statements and have issued our report thereon dated November 29, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Minnesota Legal Compliance

The *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interests, public indebtedness, claims and disbursements, uniform financial accounting and reporting standards for school districts, and miscellaneous provisions. Our study included all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the Consortium failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Consortium's noncompliance with the above referenced provisions.

Purpose of this Report

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

Smith, Schafer and Associates, Ltd.

Rochester, Minnesota
November 29, 2018

SOUTHERN MINNESOTA SPECIAL EDUCATION CONSORTIUM #6083
ADAMS, MINNESOTA

COMPLIANCE TABLE

JUNE 30, 2018

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Fiscal Compliance Report - 6/30/2018
District: SO MN EDUC CON (6083-52)

01 GENERAL FUND

	Audit	UFARS	Audit - UFARS
Total Revenue	$4,006,518	$4,006,518	$0
Total Expenditures	$3,973,681	$3,973,679	$2
Non Spendable:			
4.60 Non Spendable Fund Balance	$65,704	$65,704	$0
Restricted / Reserved:			
4.03 Staff Development	$0	$0	$0
4.06 Health and Safety	$0	$0	$0
4.07 Capital Projects Levy	$0	$0	$0
4.08 Cooperative Revenue	$0	$0	$0
4.13 Project Funded by COP	$0	$0	$0
4.14 Operating Debt	$0	$0	$0
4.16 Levy Reduction	$0	$0	$0
4.17 Taconite Building Maint	$0	$0	$0
4.24 Operating Capital	$0	$0	$0
4.26 $25 Taconite	$0	$0	$0
4.27 Disabled Accessibility	$0	$0	$0
4.28 Learning & Development	$0	$0	$0
4.34 Area Learning Center	$0	$0	$0
4.35 Contracted Alt. Programs	$0	$0	$0
4.36 State Approved Alt. Program	$0	$0	$0
4.38 Gifted & Talented	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.41 Basic Skills Programs	$0	$0	$0
4.45 Career Tech Programs	$0	$0	$0
4.48 Achievement and Integration	$0	$0	$0
4.49 Safe School Crime - Crime Levy	$0	$0	$0
4.50 Pre-Kindergarten	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
4.53 Unfunded Sev & Retiremt Levy	$0	$0	$0
4.59 Basic Skills Extended Time	$0	$0	$0
4.67 LTFM	$0	$0	$0
4.72 Medical Assistance	$12,898	$12,898	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
4.75 Title VII Impact Aid	$0	$0	$0
4.76 Payments in Lieu of Taxes	$0	$0	$0
Committed:			
4.18 Committed for Separation	$0	$0	$0
4.61 Committed Fund Balance	$0	$0	$0
Assigned:			
4.62 Assigned Fund Balance	$163,140	$163,140	$0
Unassigned:			
4.22 Unassigned Fund Balance	$263,213	$263,213	$0

02 FOOD SERVICES

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.52 OPEB Liab Not In Trust	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balancee	$0	$0	$0

04 COMMUNITY SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.26 $25 Taconite	$0	$0	$0
4.31 Community Education	$0	$0	$0
4.32 E.C.F.E	$0	$0	$0
4.40 Teacher Development and Evaluation	$0	$0	$0
4.44 School Readiness	$0	$0	$0
4.47 Adult Basic Education	$0	$0	$0
4.52 OPEB Liab Not In Trust	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

06 BUILDING CONSTRUCTION

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.07 Capital Projects Levy	$0	$0	$0
4.13 Project Funded by COP	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

07 DEBT SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted / Reserved:			
4.25 Bond Refundings	$0	$0	$0
4.33 Maximum Effort Loan Aid	$0	$0	$0
4.51 QZAB Payments	$0	$0	$0
4.67 LTFM	$0	$0	$0
Restricted:			
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0

08 TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

20 INTERNAL SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

25 OPEB REVOCABLE TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

45 OPEB IRREVOCABLE TRUST

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
4.22 Unassigned Fund Balance (Net Assets)	$0	$0	$0

47 OPEB DEBT SERVICE

	Audit	UFARS	Audit - UFARS
Total Revenue	$0	$0	$0
Total Expenditures	$0	$0	$0
Non Spendable:			
4.60 Non Spendable Fund Balance	$0	$0	$0
Restricted:			
4.25 Bond Refundings	$0	$0	$0
4.64 Restricted Fund Balance	$0	$0	$0
Unassigned:			
4.63 Unassigned Fund Balance	$0	$0	$0