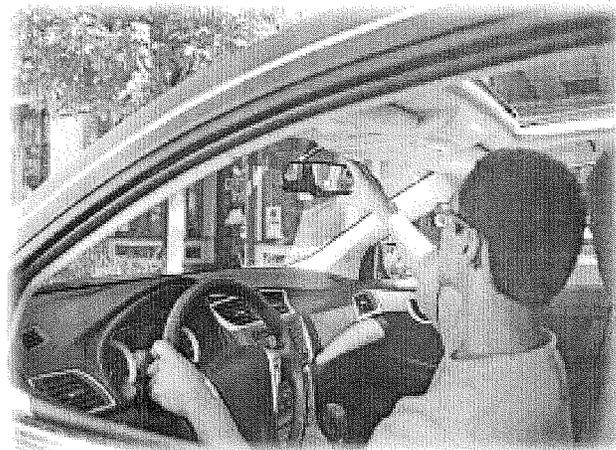
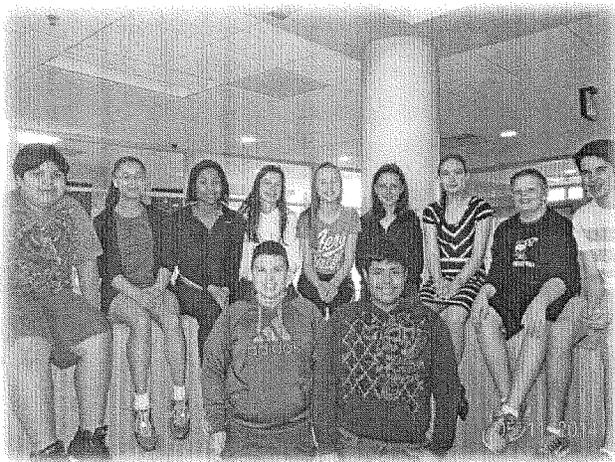
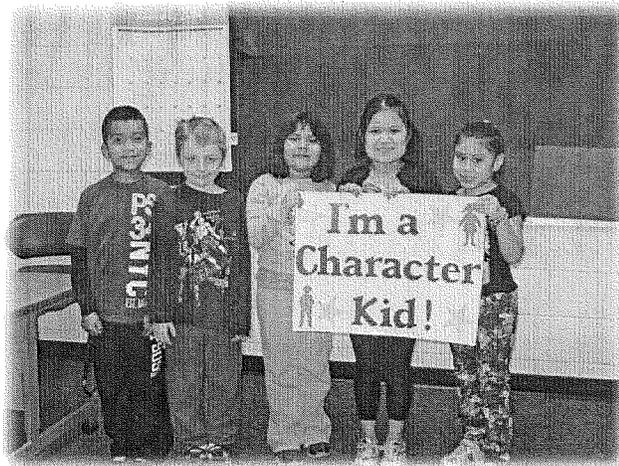


PROPOSED 2014-15 BUDGET BOOK



“Delivering educational excellence that empowers all learners to participate in our dynamic world.”

NORTHFIELD PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT 659
BOARD OF EDUCATION

Ellen Iverson, Chair

Julie Pritchard, Vice Chair

Anne Maple, Treasurer

Noel Stratmoen, Clerk

John L. Fossum

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Kari Nelson

SUPERINTENDENT OF SCHOOLS

L. Chris Richardson, Ph.D.

This document was prepared by the Business Office of the Northfield Public Schools.

www.nfld.k12.mn.us

OUR MISSION

The mission of Northfield Public Schools is to deliver educational excellence that empowers all learners to participate in our dynamic world.

OUR BELIEFS

Public Education

We believe that public education is the foundation of our democratic republic.

Learning

We believe that everyone can learn and has unique gifts and talents that must be nurtured and valued.

We believe that learning is a lifelong, multi-faceted process that involves more than academics.

Shared Responsibility

We believe that education is the collective responsibility of our students, families, schools and communities.

Learning Environment

We believe that everyone in our schools has the right to a positive learning environment that provides physical, emotional and intellectual safety, and nurtures mutual respect, responsibility and rigor.

Decision-Making

We believe decisions must be based on the district's mission and beliefs and relevant sources of information. We believe in an open decision-making process that invites honest dialogue.

Diversity

We believe that all learners have a right to equitable access to educational opportunities.

OUR STRATEGIES

Quality Education

We will hire and retain highly qualified educators and provide them with ongoing support and training to deliver high quality instruction that meets the unique needs of all learners.

Stewardship

We will consistently demonstrate good stewardship by analyzing information, prioritizing needs and managing our financial, physical and human resources to support our mission.

Climate

We will create and strengthen an environment that fosters mutual respect, responsibility and rigor, and ensures the right to physical, emotional and intellectual safety for every person.

Communications/Partnerships

We will build and strengthen bridges of open communication that engage staff, students, families and communities as effective partners in education.

Curricular Outcomes

We will implement a consistent, comprehensive and challenging set of curricular outcomes that reach and engage all learners.

Diversity

We will implement plans and practices that foster full participation by all learners and that address issues that include, but are not limited to, race, gender, culture, religion, sexual orientation, language, disabilities and socio-economic factors.

June 9, 2014

Board of Education
Independent School District 659
Northfield, MN

The following report covers all the proposed budgets for the 2014-2015 school year for Northfield Public Schools. This budget report is one of our primary tools to provide summarized financial information to the Board, our employees and the community. This report includes our Operating, Proprietary and Fiduciary Funds with a special emphasis on the general fund. Over the past two months I have had the pleasure of presenting the individual funds in detail at the school board meetings. This document provides a comprehensive financial presentation of all these areas.

The purpose of a budget is to quantify the strategic plan and programming choices we have made as a District. It is a guide for the Board of Education to authorize the Administration to fulfill the mission of the District each day. In January 2014, the Board of Education was presented with a five year financial forecast. That forecast included assumptions and parameters used to set the framework for the 2014-15 budget planning process. Due to the requirement that our budget be adopted before June 30, there will always be several assumptions regarding legislative changes, contract settlements and staffing changes.

Our known parameters include our two year agreement with the Northfield Education Association, health and dental rates, and our transportation agreement with Benjamin Bus. We will be negotiating with our fifteen other employment groups over the coming months. We are a people driven business so this is our most notable unknown at the current time.

We strive daily to implement the District's strategic plan, mission and values to operate efficiently and effectively while continuing to provide the wonderful opportunities for the children and families of Northfield. We will consistently demonstrate good stewardship by analyzing information, prioritizing needs and managing our financial, physical and human resources to support Northfield Public Schools.

Sincerely,



Val Mertesdorf
Director of Finance

BUDGET DEVELOPMENT CALENDAR

November 25	Auditors present results of 2012-13 financial audit.
December 9	School Board reviews and approves FY14 revised general fund budget as well as certifies the 2013 Payable 2014 Tax Levy.
January 27	School Board presented with five year financial forecast and 2014-15 proposed budget calendar.
February 10	School Board adopts resolution requiring the administration to make recommendations for additions and reductions in programs and adding or discontinuing positions.
April 28	School Board adopts the necessary resolutions relating to general fund program and staffing changes for FY 2015.
April 28	School Board presented with proposed budgets for debt service, trust fund and child nutrition.
May 12	School Board presented with proposed budgets for general fund's capital budget, internal service fund and community services.
May 27	School Board presented with proposed general fund budget.
June 9	School Board adopts the 2014-15 Proposed Budgets for all funds.

STUDENT ENROLLMENT

Minnesota funds the majority of its K-12 programs through a complex formula applied to the number of students attending each school. For most funding programs, the pupil count, known as adjusted pupil units (APU) is used to determine school revenue amounts.

DETERMINING PUPIL UNITS

There are two steps involved in calculating the APUs that are used in most of the K-12 funding formulas.

1. Average Daily Membership (ADM): Students are counted in average daily membership. Average daily membership is the count of resident students in the district for the full school year. Students that are present for only part of the year are prorated for their time attending the school. Excused absences from school (for things such as illness, etc.) do not reduce a school district's ADM. It is calculated using the sum for all pupils of the number of days in the district's school year that each pupil is enrolled, divided by the number of days the schools are in session.

2. Adjusted Pupil Units (APU): The ADM student count is adjusted to reflect only the students actually served by the district. Each district's pupil count is reduced by the number of students leaving the district to attend a charter school or through open enrollment and increased by the number of students entering the district from another district.

WEIGHTED ADJUSTED PUPIL UNITS:

Each student is weighted by grade level according to the weights listed in table below. The different weights are intended to reflect differing educational costs across the grade levels. The K-12 funding formulas are multiplied by the weighted adjusted pupil units to calculate the District's revenue.

In the last legislative session the weightings were simplified and adjusted to account for the all day Kindergarten funding. The 13-14 weightings are provided for comparative purposes only.

	Pre-KG	KG Disabled	KG	1-3	4-6	7-12
2013-14	1.25	1.0	.612	1.115	1.06	1.3
2014-15	1.0	1.0	1.0	1.0	1.0	1.2

ENROLLMENT PROJECTIONS

Over the past five years, the District's enrollment has remained fairly stable in the number of students. The District anticipates that the total number of students will decline slightly over the next several years. The October 1, 2013 enrollment numbers were included with historical data to calculate the current enrollment forecast which was prepared using the traditional cohort survival technique and weighting these results to favor more recent years. The following tables represent the projected 2014-15 student data as well as the longer range forecast.

2014-15 Projected Adjusted Pupil Units					
Pre-KG	KG (incl. HK)	1-3	4-6	7-12 (incl. ALC)	Total
35.8	238.7	807.1	839.5	1878.0	3,799.1

2014-15 Projected Weighted Adjusted Pupil Units					
Pre-KG	KG (incl. HK)	1-3	4-6	7-12 (incl. ALC)	Total
35.8	238.7	807.1	839.5	2,253.6	4,174.7

5 Year Weighted Adjusted Pupil Unit Forecast						
	2013-14*	2014-15	2015-16	2016-17	2017-18	2018-19
Pre-KG	35.6	35.8	31.7	30.7	30.0	28.3
Kindergarten	223.8	238.7	211.6	204.9	199.9	188.7
Grades 1-3	818.9	807.1	800.0	728.9	708.9	666.7
Grades 4-6	849.6	839.5	836.3	859.9	850.6	845.5
Grade 7-12	2,237.2	2,253.6	2,277.8	2,297.6	2,276.1	2,329.4
Total WAPU	4,165.1	4,174.7	4,157.4	4,122.0	4,065.5	4,058.6
Change		0.23%	(0.41%)	(0.85%)	(1.37%)	(0.17%)

*Calculated using 14-15 weightings for comparative purposes.

PROPOSED 2014-15 BUDGET

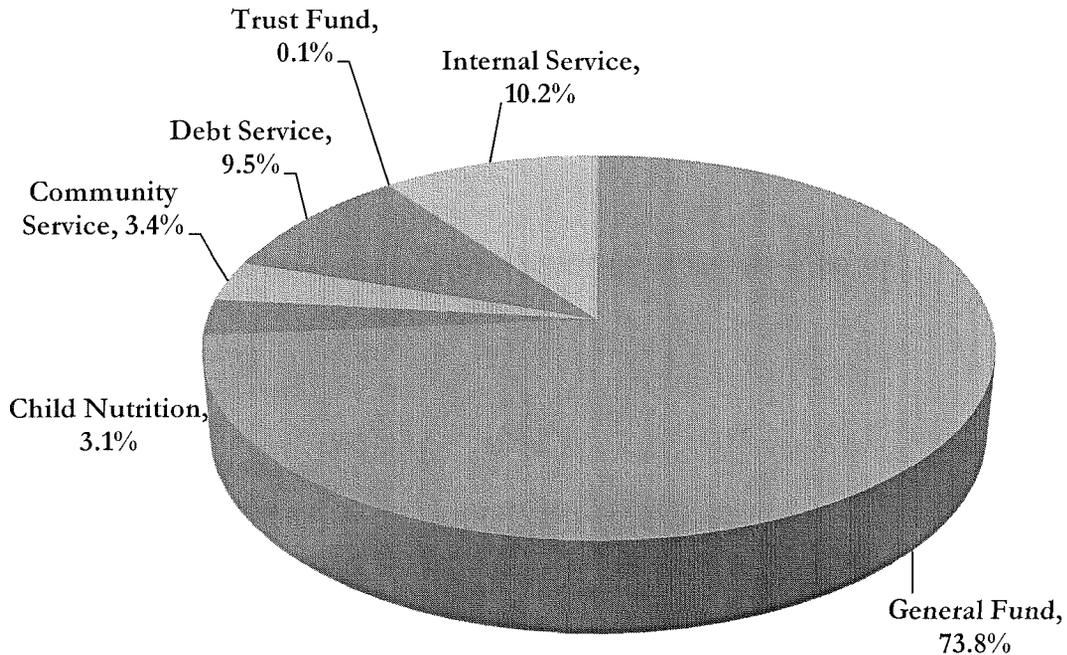
BUDGET OVERVIEW

	July 1, 2014 Projected	FY 2015 <u>Revenues</u>	FY2015 <u>Expenditures</u>	June 30, 2015 Projected
	<u>Fund Balance*</u>			<u>Fund Balance*</u>
General Fund**	14,417,183	43,828,390	44,212,695	14,032,878
Child Nutrition	591,254	1,794,200	1,884,631	500,823
Community Service	302,049	1,997,058	1,976,395	322,712
Debt Service	1,686,565	5,661,437	5,330,129	2,017,873
Trust Fund	125,787	59,755	68,180	117,362
Internal Service	1,677,202	6,074,035	5,827,239	1,923,998

* Beginning and ending fund balance includes restricted funds

**General Fund includes Operating Capital and Health & Safety funds.

2014-15 Budget Resources All Funds



GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade twelve including pupil transportation and capital outlay projects.

Preliminary budget assumptions include an increase in revenue by approximately 5.45% of total general fund revenue sources. The District receives approximately 70% of its revenue from the State of Minnesota. The legislature approved a 1.5% increase in funding for the 2014-15 school year as well as an additional \$25 per pupil. There was also an increase in funding to account for the shift to all day Kindergarten. The District's property tax levy is consistent with the prior year.

Projected expenditures are represented with an aggregate increase of 6.0%. This includes a projected increase of 5.4% in salaries, 3.4% in benefits and a 1% increase in non-salary and other operating expenditures.

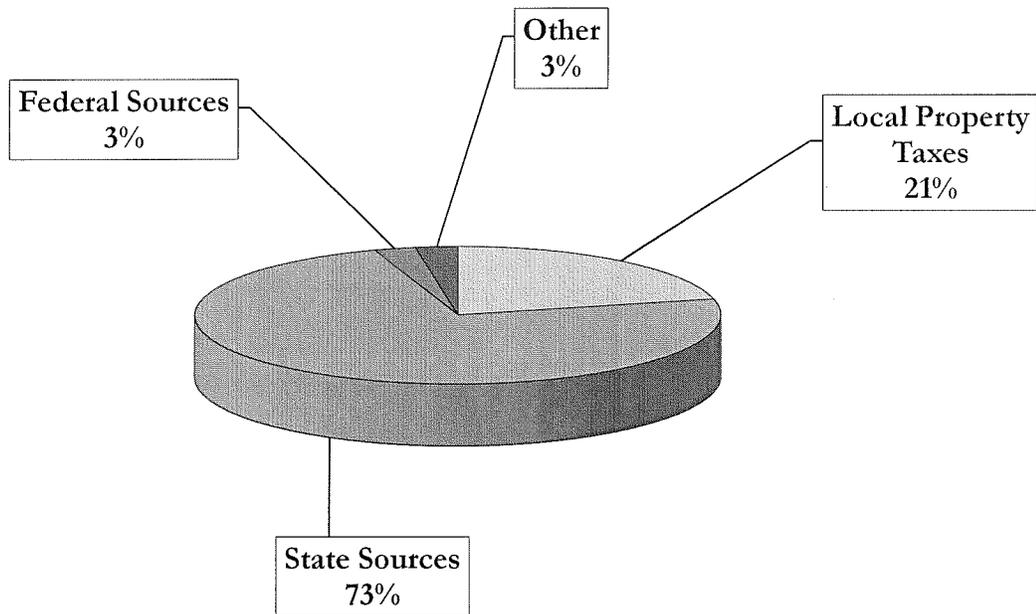
	2011-12 AUDIT RESULTS	2012-13 AUDIT RESULTS	2013-14 REVISED BUDGET	2014-15 PROPOSED BUDGET
Revenue	40,041,535	41,069,277	41,604,919	43,828,390
Expenditures	38,473,033	41,008,997	41,710,658	44,212,695
Net Difference	1,568,502	60,280	(105,739)	(384,305)
Beginning Fund Balance*	12,894,140	14,462,642	14,522,922	14,417,183
Ending Fund Balance*	14,462,642	14,522,922	14,417,183	14,032,878
Unrestricted Fund Balance	8,882,788	9,295,808	9,462,873	8,850,632
Percentage	23%	23%	23%	20%

*Includes restricted and unrestricted dollars

GENERAL FUND REVENUE SUMMARY

	2011-12 AUDIT RESULTS	2012-13 AUDIT RESULTS	2013-14 REVISED BUDGET	2014-15 PROPOSED BUDGET
Property Taxes	8,451,103	9,437,019	9,379,914	9,378,076
State Sources	28,432,139	29,119,590	29,911,977	32,194,380
Federal Sources	1,799,156	1,368,795	1,203,528	1,111,559
Local Sources	1,359,137	1,143,873	1,109,500	1,144,375
Total	40,041,535	41,069,277	41,604,919	43,828,390

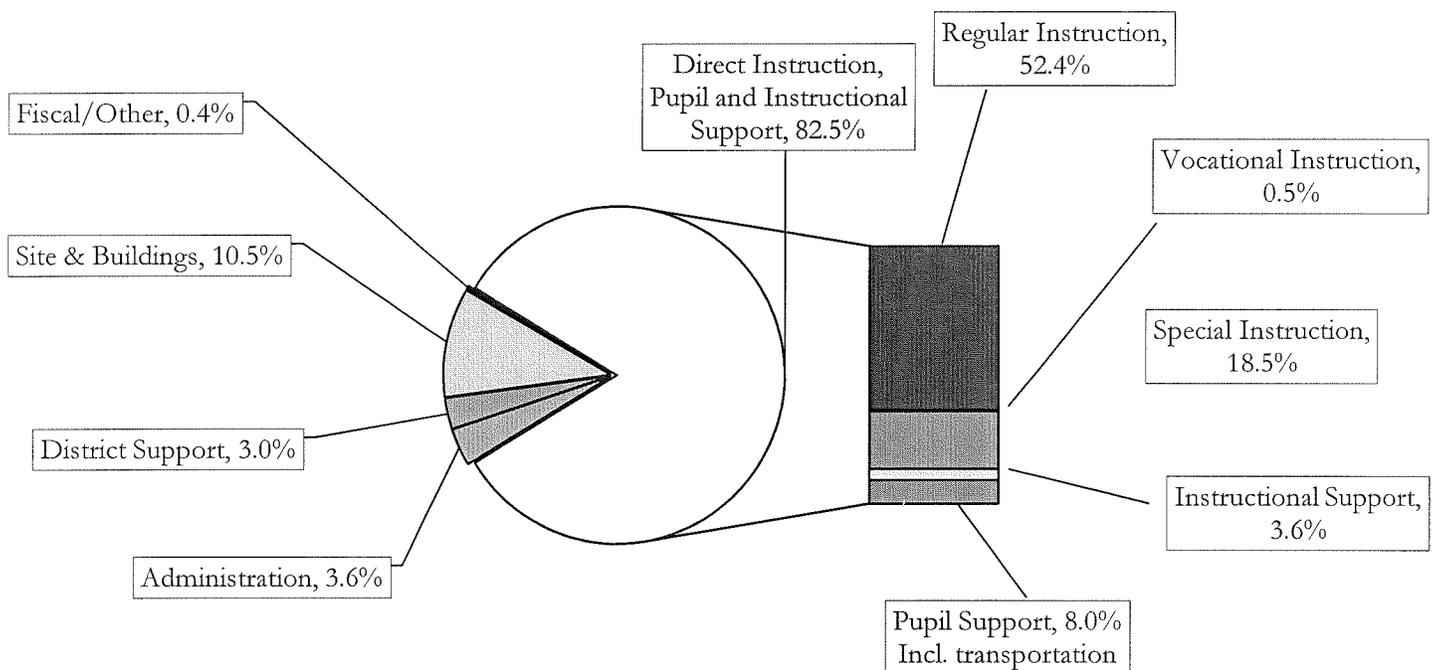
REVENUE BY SOURCE



GENERAL FUND EXPENDITURE SUMMARY

	2011-12 AUDIT RESULTS	2012-13 AUDIT RESULTS	2013-14 REVISED BUDGET	2014-15 PROPOSED BUDGET
Administration	1,453,890	1,521,038	1,547,954	1,596,614
District Support Services	1,001,147	1,127,420	1,108,040	1,323,398
Regular Instruction	19,380,302	20,211,610	21,696,075	23,160,105
Vocational Instruction	292,242	226,816	208,851	217,315
Special Education	7,049,278	7,595,077	7,659,045	8,158,869
Instructional Support	1,368,330	1,477,009	1,514,982	1,580,100
Pupil Support	3,206,581	3,338,933	3,319,443	3,375,967
Site & Buildings	4,583,247	5,372,014	4,495,246	4,637,695
Fiscal & Other Fixed Costs	138,016	139,080	161,022	162,632
Total	38,473,033	41,008,997	41,710,658	44,212,695

EXPENDITURE BY PROGRAM



**GENERAL FUND
OPERATING CAPITAL and HEALTH AND SAFETY**

The primary source of revenue comes from local property taxes which includes the voter approved operating capital levy of \$750,000. The operating capital levy was renewed for another 10 years upon its expiration during the 2013-14 school year.

Fund Summary	2011-12 AUDIT RESULTS	2012-13 AUDIT RESULTS	2013-14 REVISED BUDGET	2014-15 PROPOSED BUDGET
Beginning Fund Balance	1,121,588	1,573,882	885,813	885,813
Operating Revenue	2,497,516	2,058,035	1,934,559	2,062,371
Total Sources	3,619,104	3,631,917	2,820,372	2,948,184
Expenditures	2,045,222	2,746,104	1,934,559	2,166,791
Ending Fund Balance	1,573,882	885,813	885,813	781,393

Expenditure Summary	2014-15 Proposed Budget
Leased Facility Space	373,018
Lease Purchase (Sibley)	142,758
Schools/Programs	128,336
Textbooks/Digital Curriculum	150,000
Technology	584,103
Facilities	309,000
Health & Safety	270,452
Deferred Maintenance	209,124
Total	2,166,791

CHILD NUTRITION FUND

The Child Nutrition Fund is a self-sustaining operation and funds can only be used for the operation of Food Service. Revenues come from a variety of sources including State and Federal funding, student and adult purchases, federal commodities, and grant dollars. The bulk of the budget is accounted for in labor and food costs.

Included in the assumptions used to prepare this budget is a recommendation to hold meal rates as they are, there is additional revenue from the state. The District recently sent out a request for proposal for our prime vendor and had favorable results which helped reduce our anticipated food budget. This budget also includes phase two of the high school remodel project. The proposed budget plan is balanced and continuous evaluation of food costs and direct labor hours per meal served will be the primary focus to ensure budget targets are met.

	2011-12 AUDIT RESULTS	2012-13 AUDIT RESULTS	2013-14 REVISED BUDGET	2014-15 PROPOSED BUDGET
Revenue Summary				
Local property Taxes	-	-	-	-
Tuition, fees and other	1,108,832	1,115,241	1,081,114	1,067,900
State Aids	60,548	59,682	58,100	60,000
Federal Aids	628,193	670,430	627,269	666,300
Total Revenues	1,797,573	1,845,353	1,766,483	1,794,200
Expenditure Summary				
Salaries and Wages	537,276	560,902	561,628	579,356
Benefits	166,946	196,747	187,981	192,275
Purchased Services	100,735	90,798	98,600	106,000
Food and Supplies	839,828	948,025	861,150	843,300
Equipment	9,835	40,708	151,500	161,500
Other Expenditures	2,174	2,742	2,200	2,200
Total Expenditures	1,656,794	1,839,922	1,863,059	1,884,631
Fund Summary				
Revenue	1,797,573	1,845,353	1,766,483	1,794,200
Expenditures	1,656,794	1,839,922	1,863,059	1,884,631
Net Difference	140,779	5,431	(96,576)	(90,431)
Beginning Fund Balance	541,620	682,399	687,830	591,254
Ending Fund Balance	682,399	687,830	591,254	500,823

COMMUNITY SERVICE FUND

Northfield Public Schools Community Services focuses on lifelong learning, recreation and community involvement. We provide numerous opportunities and classes for all ages to develop skills, stay healthy and inspire creativity.

For a quarter century, our Early Childhood Family Education (ECFE) programs have been supporting parents in their role as their child's first and foremost teacher. Among our other Early Childhood Programs, Hand in Hand Preschool and Ventures childcare work together to prepare and support students in year-long learning. The budget for the 2014-15 was developed with the goal of maintaining the necessary revenue generation and expenditure reductions in order to provide financial stability and good stewardship of resources during the current difficult economic situation.

	2011-12 AUDIT RESULTS	2012-13 AUDIT RESULTS	2013-14 REVISED BUDGET	2014-15 PROPOSED BUDGET
Revenue Summary				
Local property Taxes	400,526	409,717	387,799	397,962
Tuition, fees and other	1,613,063	1,786,801	1,706,027	1,392,815
State Aids	228,344	223,387	199,909	181,281
Federal Aids	67,560	563	-	-
Total Revenues	2,309,493	2,420,468	2,293,735	1,972,058
Expenditure Summary				
Salaries and Wages	1,518,445	1,561,025	1,508,663	1,282,255
Benefits	309,790	326,854	340,277	346,616
Purchased Services	278,334	328,779	320,989	251,212
Supplies	80,298	78,041	55,349	58,010
Equipment	12,061	14,189	15,041	10,532
Other Expenditures	2,234	2,473	3,795	2,770
Total Expenditures	2,201,162	2,311,361	2,244,114	1,951,395
Fund Summary				
Revenue	2,309,493	2,420,468	2,293,735	1,972,058
Expenditures	2,201,162	2,311,361	2,244,114	1,951,395
Net Difference	108,331	109,107	49,621	20,663
Beginning Fund Balance	34,990	143,321	252,428	302,049
Ending Fund Balance	143,321	252,428	302,049	322,712

DEBT SERVICE FUND

This fund is used to account for the accumulation of resources used for payment of general long term obligation bond principal, interest, and related costs.

	2011-12 AUDIT RESULTS	2012-13 AUDIT RESULTS	2013-14 REVISED BUDGET	2014-15 PROPOSED BUDGET
Revenue Summary				
Local property Taxes	5,363,826	5,848,472	5,653,934	5,593,337
Interest on Investments	9,575	15,869	60,000	12,000
State of MN	318,610	55,792	306,000	56,100
Other Sources - Refunding	9,750,000	16,403,064	16,344,751	-
Total Revenues	15,442,011	22,323,197	22,364,685	5,661,437
Expenditure Summary				
Bond Principal	3,535,000	3,845,000	4,055,000	4,110,000
Bond Interest	2,635,065	2,205,265	1,733,328	1,210,129
Other Debt Service Fees	56,888	163,183	10,000	10,000
Other Uses - Refunding	22,954,385	15,485,000	9,950,000	-
Total Expenditures	29,181,338	21,698,448	15,748,328	5,330,129
Fund Summary				
Beginning Fund Balance	24,529,537	10,790,210	11,414,959	1,686,565
Revenue	5,692,011	5,920,133	6,019,934	5,661,437
Total Sources	30,221,548	16,710,343	17,434,893	7,348,002
Expenditures	6,226,953	6,213,448	5,798,328	5,330,129
Other Financing Sources	9,750,000	16,403,064	-	-
Other Financing Uses	22,954,385	15,485,000	9,950,000	-
Ending Fund Balance	10,790,210	11,414,959	1,686,565	2,017,873

Current Outstanding Debt
2014-15 Principal and Interest Payments

Issue Date	Net Interest	Original Issue	Purpose	Final Maturity	FY 2014-15 Payments		
	Rate				Principal	Interest	Total
7/5/2006	4.0%	2,100,000	Roofs	2/1/2016	255,000	20,800	275,800
2/16/2010	2.0 - 4.0%	22,615,000	Refund '01 MS/HS/MF	2/1/2022	1,455,000	682,650	2,137,650
12/7/2011	2.0 - 2.375%	9,750,000	Refund '03A MS/HS/MF	2/1/2024	75,000	210,594	285,594
12/19/2012	1.5 - 2.0%	9,825,000	Refund '04/'05 Indoor Air	2/1/2025	630,000	178,525	808,525
1/3/2013	1.5 - 3.0%	5,965,000	Refund '03A/'03C	2/1/2017	1,695,000	96,825	1,791,825
5/13/2014	TBD	1,525,000	GVP/HS Roofs	2/1/2025	-	20,735	20,735
				TOTALS	4,110,000	1,210,129	5,320,129

Annual Maturity Schedule

Fiscal Year	Principal	Interest	Total
2015	4,110,000	1,210,129	5,320,129
2016	4,415,000	1,100,499	5,515,499
2017	4,265,000	997,254	5,262,254
2018	4,625,000	893,067	5,518,067
2019	4,795,000	774,169	5,569,169
2020	4,985,000	618,044	5,603,044
2021	5,195,000	450,394	5,645,394
2022	3,275,000	274,994	3,549,994
2023	3,620,000	193,788	3,813,788
2024	3,750,000	114,736	3,864,736
2025	1,430,000	29,673	1,459,673
	44,465,000	6,656,747	51,121,747

TRUST FUND

The District is the trustee, or *fiduciary*, for assets that belong to others, such the scholarship funds. Individual accounts are set up for each trust, scholarship, or memorial that is donated to the district. Northfield High School Guidance Office manages the process of awarding the scholarships. All non-scholarship accounts are monitored to ensure expenditures are appropriate in accordance with donor's intent.

Fund Summary	2011-12 AUDIT RESULTS	2012-13 AUDIT RESULTS	2013-14 REVISED BUDGET	2014-15 PROPOSED BUDGET
Beginning Fund Balance	110,131	118,863	126,687	125,787
Gifts and Donations	56,445	62,587	51,050	59,755
Total Sources	166,576	181,450	177,737	185,542
Expenditures	47,713	54,763	51,950	68,180
Ending Fund Balance	118,863	126,687	125,787	117,362

SCHOLARSHIP LIST

AAUW Scholarship	500	NFLD Alumni Scholarship	500
Al Berkvam Memorial Scholarship	500	Northfield High School Class of 1939	500
Alec Grebis Memorial Scholarship	1,000	NFLD Office Employees' Scholarship	500
Booster Club	1,000	Northfield Union of Youth (The Key)	13,000
Cannon Valley Lions Club Scholarship	1,500	PEO Recognition Scholarship	1,550
Cannon River Sportsmen Club	500	Rice County Farm Bureau Scholarship	500
Cardinal CG Scholarship	500	Rotary Scholarship	3,000
Clifford Family Scholarship	2,000	Skip Boyum Scholarship	500
Dakota Electric Fund	3,000	Steele-Waseca Electric	500
Darrin Erickson Memorial Scholarship	180	Step Up Scholarship	1,000
David Rodgers Memorial Scholarship	3,000	Stratmoen Family Scholarship	750
Lucille Duesterhoeft Memorial	13,000	Tom Blaisdell Memorial	2,000
Foundation for the Journey Scholarship	500	TORCH Scholarship	6,250
Kluver/Monsanto Scholarship	500	VFW	700
Make a Difference Scholarship	250	Waterford Warriors	1,000
Myrtle Houston Trust	4,000	W Stickley Memorial	4,000
		TOTAL	\$ 68,180

**INTERNAL SERVICE FUND
SELF INSURANCE PLAN**

The District established this fund in 2005-06 to account for the financial activity of the self insurance plan for the dental benefits provided to employees. In May of 2011 the District elected to become self insured for medical benefits as well. The revenue in this fund represents premiums paid for dental and medical coverage by the District and our active and retired employees. Expenditures represent actual claims paid for dental and medical services received by our current or retired employees covered under the plan.

	2011-12	2012-13	2013-14	2014-15
Dental Fund Summary	AUDIT RESULTS	AUDIT RESULTS	ADOPTED BUDGET	PROPOSED BUDGET
Beginning Balance	447,236	495,769	526,713	369,583
Charges for Services	466,132	388,356	272,870	305,540
Total Sources	913,368	884,125	799,583	675,123
Insurance Claims	385,932	319,591	395,000	420,000
Administrative Fees	31,667	37,821	35,000	37,800
Total Expenditures	417,599	357,412	430,000	457,800
Ending Fund Balance	495,769	526,713	369,583	217,323

**Medical Fund
Summary**

Beginning Balance	-	669,355	1,122,862	1,307,619
Charges for Services	5,196,764	4,497,427	5,523,579	5,768,495
Total Sources	5,196,764	5,166,782	6,646,441	7,076,114
Insurance Claims	3,825,992	3,355,523	4,307,173	4,456,722
Administrative Fees	701,417	688,397	1,031,649	912,717
Total Expenditures	4,527,409	4,043,920	5,338,822	5,369,439
Ending Fund Balance	669,355	1,122,862	1,307,619	1,706,675

Fund Summary

Beginning Balance	447,236	1,165,124	1,649,575	1,677,202
Charges for Services	5,662,896	4,885,783	5,796,449	6,074,035
Total Sources	6,110,132	6,050,907	7,446,024	7,751,237
Total Expenditures	4,945,008	4,401,332	5,768,822	5,827,239
Ending Fund Balance	1,165,124	1,649,575	1,677,202	1,923,998



CliftonLarsonAllen

CliftonLarsonAllen LLP
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May 19, 2014

School Board and Management
Independent School District No. 659
1400 S. Division Street
Northfield, MN 55057

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CliftonLarsonAllen LLP (CLA) will provide for Independent School District No. 659 ("you," "your," or "the District") for the year ended June 30, 2014.

Craig Popenhagen is responsible for the performance of the audit engagement.

Audit Services

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of Independent School District No. 659, as of and for the year ended June 30, 2014, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the District's basic financial statements. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management's discussion and analysis.
2. GASB-required supplementary pension and OPEB

We will also evaluate and report on the presentation of the following supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole:

1. Combining and individual fund statements and supporting schedules.
2. Schedule of expenditures of federal awards
3. Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table.

In addition, we will also audit the statement of cash receipts and disbursements of the student activity accounts, which is prepared on the regulatory basis of accounting prescribed or permitted by the Minnesota Department of Education, of the entity for the year ended June 30, 2014.

Nonaudit Services

We will also provide the following nonaudit services:

- Preparation of a trial balance.
- Preparation of your financial statements, schedule of expenditures of federal awards, and related notes.
- Preparation of adjusting journal entries.



An independent member of Nexia International

Audit Objectives

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express opinions and render the required reports. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information as identified above other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control related to the financial statements and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Reporting on internal control related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions on the financial statements are other than unmodified or the single audit compliance opinion is other than unqualified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

As part of our audit, we will also perform the procedures and provide the report required by the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*.

Auditor Responsibilities, Procedures, and Limitations

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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 basic financial statements.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and OMB Circular A-133. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District, may not be detected. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit.

In making our risk assessments, we consider internal control relevant to the District's preparation and fair presentation of the basic financial statements and compliance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that may have occurred that are required to be communicated under *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Circular A-133 Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. The purpose of these procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and OMB Circular A-133, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management Responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements, RSI, and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements; identifying and ensuring that the District complies with applicable laws, regulations, contracts, and grant agreements; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on September 2, 2014.

You are responsible for ensuring that management is reliable and for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information, and for ensuring the information is reliable and properly reported; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the District's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the District's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and Limitations Related to Nonaudit Services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a trial balance for use during the audit. Our preparation of the trial balance is limited to formatting information into a working trial balance based on management's chart of accounts or general ledger. You will be required to review, approve, and accept responsibility for the trial balance.
- We will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes. Since the preparation and fair presentation of the financial statements and schedule of expenditures of federal awards is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements and schedule of expenditures of federal awards.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.

Use of Financial Statements

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or bond offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement Administration and Other Matters

We expect to begin final fieldwork on approximately September 2, 2014.

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely matter to the Minnesota Department of Education, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Minnesota Department of Education. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Mediation

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

Time Limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

Fees

Our fees for the financial statement audit services will be \$23,300, plus expenses. The fee estimate is based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the estimated fee for services will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee estimate. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Other Fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf. You and your attorney will receive a copy of every subpoena or request we are asked to respond to. You can control the costs of any discovery process or document request by informing us which requests you would like us to act on.

Finance Charges and Collection Expenses

You agree that if any statement is not paid within 30 days from its date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Consent

Consent to Use Financial Information

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by ET Section 301 of the AICPA Code of Professional Conduct. Your acceptance of this engagement letter will serve as your consent to use of Independent School District No. 659's information in these cost comparison, performance indicator, and/or benchmarking reports.

Subcontractors

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement and the BAA.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between us. If you have any questions, please let us know. Please sign, date, and return the enclosed copy of this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and our respective responsibilities.

CliftonLarsonAllen LLP



Craig Popenhagen, CPA

Principal

507-434-7041

craig.popenhagen@CLAconnect.com

Enclosures

094-050517

This letter correctly sets forth the understanding of Independent School District No. 659:

Authorized governance signature: _____

Title: School Board _____

Date: _____

Authorized management signature: _____

Title: Management _____

Date: _____

**RESOLUTION ESTABLISHING DATES
FOR FILING AFFIDAVITS OF CANDIDACY**

BE IT RESOLVED by the School Board of Independent School District 659, State of Minnesota, as follows:

1. The period for filing affidavits of candidacy for the office of school board member of Independent School District No. 659 shall begin on Tuesday, July 29, 2014 and shall close on Tuesday, August 12, 2014. An affidavit of candidacy must be filed in the office of the school district clerk and the \$2 filing fee paid prior to 5:00 o'clock p.m. on August 12, 2014.

2. The clerk is hereby authorized and directed to cause notice of said filing dates to be published in the Northfield News, the official newspaper of the district, at least two (2) weeks prior to the first day to file affidavits of candidacy.

3. The clerk is hereby authorized and directed to cause notice of said filing dates to be posted at the administrative offices of the school district at least ten (10) days prior to the first day to file affidavits of candidacy.

4. The notice of said filing dates shall be in substantially the following form:

**NOTICE OF FILING DATES FOR ELECTION TO THE SCHOOL BOARD
INDEPENDENT SCHOOL DISTRICT NO. 659
NORTHFIELD PUBLIC SCHOOLS
STATE OF MINNESOTA**

NOTICE IS HEREBY GIVEN that the period for filing affidavits of candidacy for the office of school board member of Independent School District No. 659 shall begin on Tuesday, July 29, 2014, and shall close at 5:00 o'clock p.m. on Tuesday, August 12, 2014.

The general election shall be held on Tuesday, November 4, 2014. At that election, three members will be elected to the School Board for terms of four (4) years each.

Affidavits of Candidacy are available from the school district clerk, Independent School District 659, 1400 Division Street South, Northfield, MN, 55057. The filing fee for this office is \$2. A candidate for this office must be an eligible voter, must be 21 years of age or more on assuming office, must have been a resident of the school district from which the candidate seeks election for thirty (30) days before the general election, and must have no other affidavit on file for any other office at the same primary or next ensuing general election.

The affidavits of candidacy must be filed in the office of the school district clerk and the filing fee paid prior to 5:00 o'clock p.m. on August 12, 2014.

Dated: June 9, 2014

BY ORDER OF THE SCHOOL BOARD

Noel Stratmoen, Clerk

Valori Mertesdorf, Deputy Clerk

**NOTICE OF FILING DATES FOR ELECTION
TO THE SCHOOL BOARD
INDEPENDENT SCHOOL DISTRICT NO. 659
NORTHFIELD PUBLIC SCHOOLS
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Dated: June 9, 2014

BY ORDER OF THE SCHOOL BOARD

Noel Stratmoen, Clerk

Valori Mertesdorf, Deputy Clerk

Elementary Family Handbook

Summary of Proposed Changes for 2014-2015

Cover – change the year

Pages 3-4 – Update Calendar

Page 8 – Benjamin Bus is reviewing the “Bus Transportation” section.

Page 10 – Removed half day kindergarten school schedule from the Daily Elementary School Schedules

Page 15 & 16 – Replaced Common Concerns in School-Age Children chart with updated version from Elizabeth Bade

Pages 19-21 – Child Nutrition Director Pam Haupt is reviewing these pages and will send updates, if needed

Page 22 – At the very top of the page, the District Office phone number was updated to 663-0610

Page 22 – in the last paragraph, “Phone Calls” section, added the sentence – “At Greenvale, faculty and staff are available from 7:45-8:15 AM and 3:15-3:45 PM.”

Page 24 – Update meal times section

Suggested Changes to NHS Handbook 2014-2015

Replace first page with PBIS language: NHS is a community of learners who are safe, respectful and responsible.

Attendance at Post-Season Competition: Delete first paragraph

Passes to Leave Campus: Delete first paragraph

Academic Awards: In the second paragraph it should read “A transfer student to NHS who has a 3.5 cumulative GPA after five semesters **at an accredited high school** must have completed at least one semester at NHS.”

Cell phones: Change to new Student Citizenship Handbook language

Child Nutrition: Change language to “Refer to Appendix, page #”

Contacting Students During the Day: Delete last two sentences.

Detention rules:

Delete #5-Students are to keep feet on the floor and off the furniture

Delete #6-Students may not eat candy, food or drink beverages

Delete #9- iPods, headphones, mp3s and other electronic devices are not allowed in detention

Discipline table: All recommendations to Student Citizenship Handbook will be reflected in the high school handbook. Change language to “Refer to Appendix, page #.

Enrollment of Expelled Students: Delete

Fragrances: Delete

Mid-Year Graduates: Delete last half of last sentence to read, “Mid-year graduates may participate in the end of the year commencement program.”

Student Planners: Delete and replace with “A student planner is available on Schoology or a planner of student choice may be downloaded to a student’s iPad.”

Student Safety: Change to **Chemical Health** and add, “A Chemical Health Counselor is available to students and families. Call the Guidance Office for more information.”

Study Center Information: Delete #5. Not allowed: Food and beverages, sleeping and card playing.

*An appendix will be added and the Child Nutrition information and Discipline table will be moved from the text of the handbook to the appendix.

Proposed changes to the ALC Handbook for the 2014-15 school year

1. Dates and staffing changes throughout handbook
 - a. Rafael Estrella no longer teaching Art
 - b. Amy Moeller no longer teaching Language Arts
2. School calendar update
3. Programs available section
 - a. School Day program changed to Seat-based program
 - b. Independent Study changed to Independent Study night class and Independent Study day class
 - i. IS night class dates changed
4. Daily Schedule changes TBD
5. Grading periods updated
6. Open campus lunch section
 - a. 9th grade has closed lunch
 - b. If student returns from lunch late, they will be marked absent from class(s) missed.
 - c. If student returns from lunch late, they may lose open lunch on a individual and temporary basis.

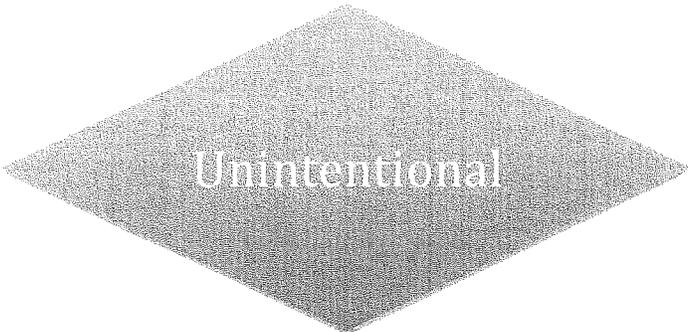
2014-15 Middle School Handbook Changes

1. Immunizations:
 - By Minnesota State Law students who are not in compliance with required immunizations will be notified by the school nurse and will not be allowed to attend school. In addition, students who are out of compliance will not be allowed to receive their i-pad.

2. Nuisance Items – **Removed**

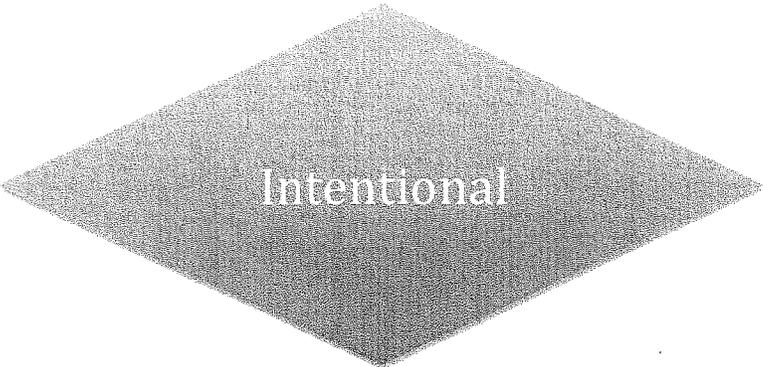
3. Cellular Phones: Replaced with;
 - Cell phones may not be used during any class, unless instructed to do so by the classroom teacher.

MS Damaged iPad Flowchart



Repair

- Replacement iPad to Student within 24 hrs



Referral Report

- Replacement iPad to Student after 24 hrs of report brought to Technology Department.



Restitution

MS iPad Flow Chart for Stolen, Lost, or Violation of iPad

Loss of iPad

- Police report filled out after 24 hours of iPad being reported to the MS Principal and Tech Dept. Parent signature required
- Replacement iPad to student within 24 hours of Tech Dept. receiving copy of police report.

Violation of Technology User Agreement, including operating or possessing another student's iPad

- School Consequences
- Progressive Plan
 - 1st Offense
 - Fix -it plan completed - Re-Training,
 - 2nd Offense
 - Office Referral - Temporary loss of privileges
 - 3rd Offense
 - Office Referral - Possible alternate technology

Changes to 2014-15 Handbook

- Added Clay Target to Spring Sports- pg 3
- Changed the list of Schools from Missota Conference to Big 9 Conference- pg 13
- State Tournament Advance-Added line starting with Student/Athletes who choose to attend State Tournaments.... Pg 31
- Chemical eligibility- Added items D and E - pg 31 under Appendix B
- Transfer and Residence- Added item D –pg 35 under Appendix B

Suggested Changes to Student Citizenship Handbook 2014-2015

Grades 6-12

Abuse, Verbal policy: Change consequences for grades 9-12 to reflect the consequences in grades 6-8.

Bullying policy: Change language to:

Bullying is defined as behavior that is:

- Intimidating, threatening abusive or hurtful conduct
- Objectively offensive
- Involves an imbalance of power and is repeated, or materially and substantially interferes with a student's education or ability to participate in school activities

Cell phone policy: Change language to: Cell phone use is not allowed in classrooms during class without teacher permission. Change consequence for First Offense for grades 9-12 to Confiscated and returned at end of day.

Dishonesty, Academic: Replace word "confront" with "address" student.

Harassment and Violence: Add to last sentence "physical contact, **or taking photos/video in locker rooms or bathrooms.**

Technology and Telecommunication Misuse: Keep the language as is and delete the chart. Consequences for technology misuse will be determined by the behavior, i.e. harassment, academic dishonesty etc.

Tobacco Possession: Add "This includes the use of e-cigarettes."

Unauthorized Area: Change First offense to *, Second Offense to Detention and Third Offense to Saturday School for grades 9-12.

Entire Handbook

Replace (*) *Indicates disciplinary action assigned by the building administration.*
with
(*) *Principal discretion per building discipline plan.*



District-Wide Health & Safety Policy

June 2014

Contact Person: Paul Bell
Phone Number: 507-663-0610

807 HEALTH AND SAFETY POLICY

I. PURPOSE

Northfield Public Schools has developed a District Health/Safety Policy to promote safe and healthful working conditions for our employees. In addition to adopting a District Health/Safety Policy, Northfield Public Schools, has incorporated several other health and safety programs that not only promote employee/student safety, but insures compliance with local, state and federal regulations.

II. GENERAL STATEMENT OF POLICY

- A. The policy of the school district is to implement a health and safety program that includes plans and procedures to protect employees, students, volunteers, and members of the general public who enter school district buildings and grounds. The objective of the health and safety program will be to provide a safe and healthy learning environment; to increase safety awareness; to help prevent accidents, illnesses, and injuries; to reduce liability; to assign duties and responsibilities to school district staff to implement and maintain the health and safety program; to establish written procedures for the identification and management of hazards or potential hazards; to train school district staff on safe work practices; and to comply with all health and safety, environmental, and occupational health laws, rules, and regulations.
- B. All school district employees have a responsibility for maintaining a safe and healthy environment within the school district and are expected to be involved in the health and safety program to the extent practicable. For the purpose of implementing this policy, the school district will form a health and safety advisory committee to be appointed by the superintendent. The advisory committee will provide recommendations to the administration regarding plans and procedures to implement this policy and to establish procedures for identifying, analyzing, and controlling hazards, minimizing risks, and training school district staff on safe work practices. The committee will also recommend procedures for investigating accidents and enforcement of workplace safety rules. Each recommendation shall include estimates of annual costs of implementing and maintaining that proposed recommendation.

III. PROCEDURES

- A. The Director of Buildings and Grounds, with direction from outside consultants and professionals, is responsible for planning and implementation of the District Health/Safety Policy.
- B. Based upon recommendations from the health and safety advisory committee and subject to the budget adopted by the school board to implement or maintain these recommendations, the administration will adopt and implement written plans and procedures for identification and management of hazards or potential hazards existing within the school district in accordance with federal, state, and local laws, rules, and regulations. Written plans and procedures will be maintained, updated, and reviewed by the school board on an annual basis and shall be an addendum to this policy. The administration shall identify in writing a contact person to oversee compliance with each specific plan or procedure.
- C. To the extent that federal, state, and local laws, rules, and regulations do not exist for identification and management of hazards or potential hazards, the health and safety advisory committee shall evaluate other available resources and generally accepted best practice recommendations. Best practices are techniques or actions which, through experience or research, have consistently proven to lead to specific positive outcomes.
- D. The school district shall monitor and make good faith efforts to comply with any new or amended laws, rules, or regulations to control potential hazards.

IV. PROGRAM AND PLANS

- A. For the purpose of implementing this policy, the administration will, within the budgetary limitations adopted by the school board, implement a health and safety program that includes

specific plan requirements in various areas as identified by the health and safety advisory committee. Areas that may be considered include, but are not limited to, the following:

1. Asbestos
2. Fire and Life Safety
3. Lighting
4. Structural Safety
5. Combustible and Hazardous Materials Storage
6. Indoor Air Quality
7. Mechanical Ventilation
8. Mold Cleanup and Abatement
9. Accident and Injury Reduction Program: Model AWAIR Program for Minnesota Schools
10. Infectious Waste/Bloodborne Pathogens
11. Community Right to Know
12. Compressed Gas Safety
13. Confined Space Standard
14. Electrical Safety
15. First Aid/CPR/AED
16. Food Safety Inspection
17. Forklift Safety
18. Hazardous Waste
19. Hearing Conservation
20. Hoist/Lift/Elevator Safety
21. Integrated Pest Management
22. Laboratory Safety Standard/Chemical Hygiene Plan
23. Lead
24. Control of Hazardous Energy Sources (Lockout/Tagout)
25. Machine Guarding
26. Mercury
27. Personal Protection Equipment (PPE)
28. Playground Safety
29. Radon
30. Respiratory Protection
31. Underground and Above Ground Storage Tanks
32. Welding/Cutting/Brazing
33. Chlorine
34. Ladder/Fall Protection
35. Laboratory Safety
36. Other areas determined to be appropriate by the health and safety advisory committee.

If a risk is not present in the school district, the preparation of a plan or procedure for that risk will not be necessary.

- B. The administration shall establish procedures to ensure, to the extent practicable, that all employees are properly trained and instructed in job procedures, crisis response duties, and emergency response actions where exposure or possible exposure to hazards and potential hazards may occur.
- C. The administration shall conduct or arrange safety inspections and drills. Any identified hazards, unsafe conditions, or unsafe practices will be documented and corrective action taken to the extent practicable to control that hazard, unsafe condition, or unsafe practice.
- D. Communication from employees regarding hazards, unsafe or potentially unsafe working conditions, and unsafe or potentially unsafe practices is encouraged in either written or oral form. No employee will be retaliated against for reporting hazards or unsafe or potentially unsafe working conditions or practices.
- E. The administration shall conduct periodic workplace inspections to identify potential hazards and safety concerns.

F. In the event of an accident or a near miss, the school district shall promptly cause an accident investigation to be conducted in order to determine the cause of the incident and to take action to prevent a similar incident. All accidents and near misses must be reported to an immediate supervisor as soon as possible.

V. BUDGET

The superintendent shall be responsible to provide for periodic school board review and approval of the various plan requirements of the health and safety program, including current plan requirements and related written plans and procedures and recommendations for additional plan requirements proposed to be adopted. The superintendent or such other school official as designated by the superintendent, each year shall prepare preliminary revenue and expenditure budgets for the school district's health and safety program. The preliminary budgets shall be accompanied by such written commentary as may be necessary for them to be clearly understood by the members of the school board and the public. The school board shall review the projected revenues and expenditures for this program and make such adjustments within the expenditure budget to carry out the current program and to implement new recommendations within the revenues projected and appropriated for this purpose. No funds may be expended for the health and safety program in any school year prior to the adoption of the budget document authorizing that expenditure for that year, or prior to the adoption of an amendment to that budget document by the school board to authorize that expenditure for that year. The health and safety program shall be implemented, conducted, and administered within the fiscal restraints of the budget so adopted.

VI. COMMUNICATION

Northfield Public Schools regards communication of health and safety issues as a continual process. Health and safety procedures are communicated through safety training at the beginning of an employee's new job assignment, whenever material, process, or procedural changes are implemented, and whenever the employer notices deficiencies in safe work practices.

In addition to training, posters, employee handbooks, handout materials and computer-based learning may also be utilized to communicate job safety and health information.

Safety communication also takes place through distribution of safety committee meeting minutes, which includes accident information, reported employee concerns, inspection findings, and status updates on safety items.

VI. ENFORCEMENT

Enforcement of this policy is necessary for the goals of the school district's health and safety program to be achieved. Within applicable budget limitations, school district employees will be trained and receive periodic reviews of safety practices and procedures, focusing on areas that directly affect the employees' job duties. Employees shall participate in practice drills. Willful violations of safe work practices may result in disciplinary action in accordance with applicable school district policies.

Policy 807 – Health and Safety
Adopted: 5/29/12, 7/8/13

School Board
INDEPENDENT SCHOOL DISTRICT 659
Northfield, Minnesota