

2014-2015 Annual Report



Vision

To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners and global citizens.

Mission

To offer intense math and science experiences and challenging opportunities in the arts and humanities. To develop lifelong learning skills, including critical thinking, effective time management, and collaboration with peers.



Math and Science Academy

A Minnesota Charter School

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2014-2015 ANNUAL REPORT

**Submitted to:
Student Achievement Minnesota
(SAM) MSA's Authorizer
Liz Wynne**

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Introduction

The Math and Science Academy (MSA) opened in the fall of the 1999-2000 school year and serves students grades six through twelve. MSA places tremendous value on a school design that is curriculum based, standards driven, and collaboratively run. The curriculum places emphasis in the areas of math and science with a balance of humanities. The agreed upon standard requires that students achieve beyond current state mandates and testing criteria. Every student at MSA is required to complete a math program through calculus and a high school science program that includes biology, chemistry, and physics. In addition, all students at MSA are required to take social studies and English every year, Spanish through the 11th grade, and at least one year of high school fine arts, a half year of physical education, and health in the 9th grade. Thus far, after thirteen graduating classes, only five seniors have failed to graduate on time. Moreover, while the state of Minnesota has led the nation in ACT scores the five four years with an average composite of 22.9, the average composite MSA ACT score over the past five years has been 27.8.

Not only does MSA stress such core curriculum areas as math, science, English, social studies, and world language, but the school also boasts an excellent music program which includes choir, a string orchestra, and jazz band. In addition, MSA students can further enhance their learning experience by participating in a variety of after school activities (see Appendix A).

It is the MSA's policy to provide equal educational opportunity for all students. The Math and Science Academy does not discriminate on the basis of race, color, creed, religion, national origin, sex, marital status, parental status, status with regard to public assistance, disability, sexual orientation or age.

In the spring of 2010, the MSA Board of Directors took time to review and rewrite the mission, vision, and core values of the school. The goal of this activity was all part of the process of strategic planning. The Strategic Plan was updated and revised in 2012-13. As such the mission, vision and core values of MSA now read as follows:

Vision

To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners and global citizens.

Mission

To offer intense math and science experiences and challenging opportunities in the arts and humanities. To develop lifelong learning skills, including critical thinking, effective time management, and collaboration with peers.

Core Values

- MSA will foster a safe environment where every voice is heard and individuals are free to take risks.
- MSA will continue to improve performance and recognize outstanding achievement.
- MSA will empower students to develop skills in organization, time management and self-discipline.
- MSA will continuously evaluate and improve our program to ensure the highest quality of education.
- MSA will encourage networking, collaboration, and open communication between all members of our community.
- MSA will encourage students and staff to show respect for others and their views.

- MSA students and staff will exhibit fairness, cooperation, integrity and honesty.
- MSA students and staff will take responsibility for their actions.
- MSA will encourage students, their parents and staff to volunteer at school.
- MSA will set high expectations for teaching and learning.

Governance

MSA is governed by a Board of Directors (BOD) that is comprised of a membership in accord with Minnesota statute and consists of three (3) parents (or legal guardians) of enrolled students, four (4) licensed teachers who are employed by MSA at .5 FTE or above, two (2) community members who are not employed by the school and do not have a child enrolled in the school, and a non-voting student enrolled at MSA in grades 9-12. The Director and Chief Financial Officer sit on the board as ex-officio, non-voting members. MSA by-laws were recently changed to move the election held each year to the first Tuesday in April (The actual date is set by the BOD on the recommendation of the BOD Election Committee.).

MSA Board Meetings are typically held on the third Monday of each month. The BOD routinely conducts workshops to address the larger issues, thereby giving the community a chance to participate with respect to all issues brought before the board.

The 2014-2015 BOD members are listed below in order of officers and term expiration date.

Name	Board Position	Group	Date Seated	Term Expiration	State Required Board Training Completed
Teri Sue Hitchcock	Chair	Teacher #416849	Aug 2013	Jun 2015 Resigned 11/25/14	Yes - 2, 3
Tim Tydlacka	Chair (Nov 2014)	Teacher #360146	Jun 2014	Jun 2017	Yes - 4
Alice Quammen	Vice-Chair	Community Member	Jan 2013	Jan 2015	Yes - 1, 3, 4
Shannon Froberg	Treasurer	Teacher #313107	Jun 2014	Jun 2017 Resigned 6/30/15	Yes - 4
Heidi Bardwell	Secretary	Parent	Jan 2013	Jan 2015	Yes - 3
Joe Burianek		Community Member	Jun 2014	Jun 2016	Yes - 4
Mona Hayaski		Parent	Jun 2014	Jun 2016	Yes - 4, 5
Dan Keller		Teacher #461581	Aug 2014	Jun 2016	Yes - 3, 4
Deb Ledvina		Parent	Aug 2014	Jun 2015	Yes - 4, 5
Jessie Heydt		Teacher #453570	Nov 2014	Jun 2015	Yes - 4, 6
Shailaja Radhakrishnan		Student Representative	Jul 2014	Jun 2015	N/A
Robert Kreisler	Director Ex-Officio	School District	N/A	N/A	Yes - 3, 4
Judith Darling	CFO Ex-Officio	School District	N/A	N/A	Yes - 3, 5

- 1 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - October 5, 2013.
- 2 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - August 7, 2013.
- 3 Completed Charter School Board Finance Training - February 12, 2014.
- 4 Completed Charter School Finance Training August 17, 2014.
- 5 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - October 14, 2014.
- 6 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - January 13, 2015.

MSA School Management & Administrative Team

Robert Kreischer	Director	
Jennifer Reichel	Assistant Director	
Judith Darling	Financial Manager	Beltz, Kes, Darling & Associates
Vicky Carey	Office Manager	
Joyce Lawrence	Business Manager	
Joell Pundsack	Office Manager	
Nastaran Khanpour	Part-Time Office Assistant	
Carrie Brookins	School Psychologist	File Folder # 3

School Director Biography

Bob Kreischer was hired as Director of MSA to begin in August 2012. He also serves as an ex-officio member of the MSA Board of Directors. He has a BA, and MA in Educational Administration. Bob is a 40 year career educator with experience in public, independent and public charter schools. (See Director Development Plan, Appendix B.)

Teaching Staff Information

For the 2014-2015 school year, 100% of the MSA teaching staff were recognized as highly qualified and fully licensed. For the 2014-15 school year, the school hired a new Assistant Director, Jennifer Reichel, along with nine other new staff, which was composed of four new teachers, four new Education Assistants, and a part-time receptionist. The goal of hiring the Assistant Director was to decrease the administrative burden on the director and for this position to fulfill the role of academic advisor for students.

Teacher Licensure Report – 2014-15

Full Name	MN License No.	Licensure Area	Teaching Assignments
Jeana Rose Albers	474829	5-8 Science 9-12 Life Sciences	6 th grade Science 9-12 th grade Science
Andrew John-Edwin Anderson	331860	K-12 Classroom Music K-12 Band K-12 Emotional Behavior Disorders K-12 Learning Disabilities K-12 Developmental Disabilities	8-12 th Grade Special Education
Lisa Marie Anderson	369704	7-12 Social Studies	7-9 th grade Social Studies
Mara Bertelsen	484329	5-12 Mathematics	7-12 th grade Math
Marsha Rochelle Simon Bunge	408232	K-12 Emotional Behavior Disorders K-12 Learning Disabilities	6-8 th grade Special Education
Margaret Catherine Vincent Burggraaff	376388	7-12 Grade English/Language Arts	9-12 th grade English
Anne Marie Cardenas	430525	5-8 Science 9-12 Chemistry	6 th grade Science 10-11 th grade Science
Rachael Ann Erickson	443271	5-12 Communication Arts/Literature	6 th grade English
Shannon Susan Froberg	313107	5-12 Mathematics	6-8 th grade Math
Daniel D. Haase	347245	K-12 Physical Education 7-12 Coaching	6-9 th grade Physical Education
Norma Patricia Haynes-Guerra	306086	1-6 Elementary Education K-12 Physically Handicapped K-12 Spanish	7-10 th grade Spanish
Amanda Margaret Henkels	484282	5-12 Communication Arts/Literature	7-9 th grade Spanish
Jennifer J. Heydt-Nelson	413292	K-12 Visual Arts	8-12 th grade Art
Jessica Elisabeth Heydt-Nelson	453570	5-12 Social Studies	8-12 th grade Social Studies
Teri Sue Hitchcock	416849	K-6 Elementary Education 5-12 Mathematics	7-12 th grade Math
Cheryl Ann Howe	415900	K-6 Elementary Education 5-8 Science	6-8 th grade Science
Daniel Preston Keller	461581	5-12 Social Studies	6 th grade Social Studies 10-12 th grade Social Studies
Michelle Marie Kurkoski	416675	5-12 Social Studies	9-10 th grade Social Studies
Kassie Lynn Larson	451897	K-12 Spanish	6-8 th grade Spanish
Lidys R. Koslowski	425387	Variance: K-12 Spanish Exp. 6/2015	8-9 th grade Spanish
Molly Elizabeth Molitor	427302	K-12 Physical Education 5-12 Health Education	6-9 th grade Physical Education 7 th and 9 th grade Health
Kerry Ann O'Keefe	482091	K-12 Visual Art	6-8 th grade Art
Steven Lee Pullar	374091	7-12 Physical Science	8 th , 11-12 th grade Science
Michelle Nicole Richards	403184	7-12 English/Language Arts	7 th grade English
Jerry Clark Shelton	264285	K-12 Music	6-12 th grade Music
Maria Pilar Sustic	371987	7-12 Spanish K-12 Visual Arts	7 th grade Spanish 9-12 th grade Spanish
Timothy Michael Tydlacka	360146	7-12 English/Language Arts	10-12 th grade English
Cheryle Teresa Ward	446450	K-12 English as a Second Language 5-12 Communication Arts/Literature	7-8 th grade English
Lauren Renee Weum	474818	5-12 Mathematics	6-9 th grade Math
Bronwen Kendrick Williams	398286	7-12 Mathematics	7-11 th grade Math
Lauren June Zachman	442513	5-12 Mathematics	10-12 th grade Math

Non-Licensed Support Staff

Name	Area of Assignment
Jason Jensen	Special Education Assistant
Michelle Kruse	Special Education Assistant
Ryan Medeiros	504 Coordinator Special Education Assistant
Renee Nettleton	Special Education Assistant
Sandy Proulx	Special Education Assistant
Laurie Traxler	Special Education Assistant
Deborah Webster	Special Education Assistant
Jinan Wienhandl	Special Education Assistant

School Enrollment Procedures

General Statement of Enrollment

It is the Math and Science Academy's policy to provide equal educational opportunity for all students. The Math and Science Academy does not unlawfully discriminate on the basis of race, color, creed, religion, national origin, sex, marital status, parental status, status with regard to public assistance, disability, sexual orientation or age.

Admission Requirements

The policy of the Math and Science Academy is to enroll a student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils will be accepted by lot. The Math and Science Academy gives preference for enrollment to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's teachers before accepting other pupils by lot. The Math and Science Academy does not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

Admission Policies & Procedures

Math and Science Academy establishes the following Admissions and Lottery Policy.

Policy Statement: Admission to Math & Science Academy is open to all students, without regard to ability, race, religion, or any other factors, other than the capacity of the program, class, grade level, or building.

- (1) Each school year, the Board of Directors:

- a. Initiates around January 1st the open enrollment period applicable to the following school year's admissions.
 - b. Posts on the Math and Science Academy website around January 1st:
 - (i) Math and Science Academy's enrollment application applicable to the following school year, and
 - (ii) the Admissions and Lottery Policy.
 - c. Establishes and publishes at the February board meeting, the available enrollment by grade applicable to the following school year.
- (2) Prior to the beginning of the open enrollment period, the school provides notice of the open enrollment period to parents and teachers so that siblings of currently admitted students and children of teachers may submit an application.
 - (3) Prior to the beginning of the open enrollment period, the school asks families to complete an "Intent to Return" form.
 - (4) Each enrollment application received is date-stamped and also either time-stamped or sequentially stamped by number designating the order in which applications were received for each such date.
 - (5) All applications received during the open enrollment period are automatically accepted for enrollment (i.e. admitted) unless more applications are received than the available enrollment established by the Board for the applicable grade(s). In this situation, all submitted applications for such grade(s) are placed in the lottery; however, siblings of currently admitted students and children of teachers employed in school have preference.
 - (6) Siblings, who submit an application or currently admitted students are automatically admitted unless the number of sibling applications exceed the available enrollment established by the Board for the applicable grade(s). If the number of sibling applications exceeds available enrollment in any grade, a sibling lottery is held for each such grade. Siblings are admitted to the school in order in which they are drawn in that lottery. If all available enrollment in a grade is filled by siblings, the sibling lottery continues and establishes the sibling waiting list, which has preference over both the teacher-children waiting list and the general waiting list.
 - (7) Children of teachers employed at the school who submit an application before the expiration of the open enrollment period, are automatically admitted provided that all siblings (of already admitted students) who submitted an application are admitted, and provided there is available enrollment as determined by the Board for the applicable grade(s). If the number of children of teachers exceeds the available enrollment established by the Board for any grade (and after all siblings of admitted students who submitted an application are admitted), a teacher-children lottery is held. Children of teachers are admitted to the school in order in which they are drawn in the lottery. If all available enrollment in a grade is filled by children of teachers, the teacher-children lottery continues to establish the teacher-children waiting list for each such grade.
 - (8) If the number of applications received during the open enrollment period exceeds available enrollment established by the Board for any grade (and after siblings of admitted students) who submitted applications are already admitted or establish a sibling waiting list, and after all children of teachers employed at the school who submitted an application are already admitted or establish a teacher-children waiting list), the school conducts a general lottery. All applications for each such grade(s) (excluding applications from siblings of already admitted students and excluding applications from children of teachers employed at the school) received before the expiration of the

enrollment period are included in the general lottery. Students are admitted to the school in order in which they are drawn in the lottery, as long as there is available enrollment as determined by the Board for the applicable grade(s). If all available enrollment in any grade is filled, the lottery continues and establishes the general waiting list for each such grade in the order drawn, until all applications are drawn. If a student is admitted through the general lottery and that student has one or more siblings in other grades also subject to a lottery, those siblings are automatically admitted as long as available enrollment as determined by the Board remains in the applicable grade(s).

- (9) Applicants are automatically admitted as long as there is available enrollment as established by the Board in the applicable grade and siblings continue to have preference, in the order received. If, or once, there is no available enrollment in any grade, applications are added to the applicable waiting list for each such grade, in the order received.
- (10) The school conducts all lotteries through a method of random selection.

General Admission Procedures:

- (1) **Order of Admission:** Siblings of Already Admitted Students, then Children of Teachers Employed at the School, then General Admissions.
- (2) **No waiting list carry over from year to year:** Each waiting list is subject to a lottery and redrawn during each admission process each year.
- (3) **Multiple births (twins, triplets, etc.):** Each student seeking admission completes an application (i.e. not one application for the family). In a lottery situation, each student receives an individual number/lot in the lottery.
- (4) **Lottery Grade Order:** Applicable lotteries occur from highest grade to lowest grade.

Student Demographics

Data from the 2014-2015 School Year

Info taken from final end of year 14-15 MARSS report (9/8/15)

Student Population:	483	
American Indian:	2/483	0.4%
Asian:	99/483	20.5%
Hispanic:	21/483	4.3%
Black, not of Hispanic Origin:	40/483	8.3%
White, not of Hispanic Origin:	321/483	66.5%
Special Education:	36/483	7.5%
Free/Reduced Lunch:	10/483	2.1%
Limited English Proficient:	0/483	0.0%

Open Enrollment

MSA is a school that accepts all students for open enrollment in the 6th through 12th grade levels.

Student Enrollment-Related Information

During the school year, MSA continued to see strong interest from families wanting to send their children to it. While the total enrollment increased from 441 in the previous year to 471 in the current year, MSA also saw an increase in its waiting list. The waiting list in the previous year was 264, and, after increasing the MSA student population by 30, the waiting list still grew to its highest level of 302.

2014-2015 Student Enrollment by Grade Level

As of June 5, 2015

Grade	6 th Grade	7 th Grade	8 th Grade	9 th Grade	10 th Grade	11 th Grade	12 th Grade	Total
Totals	79	90	87	74	61	50	30	471

2014-2015 Withdrawn Students

During the school year, MSA saw a slight increase in the number of students that withdrew from the school than the previous year, but the number of withdrawals was lower than the number of withdrawals two years ago. The data provided below shows student withdraw numbers from June 30, 2014 through September 8, 2015.

Grade	6 th Grade	7 th Grade	8 th Grade	9 th Grade	10 th Grade	11 th Grade	12 th Grade	Total
Totals	1	2	3	23	7	2	2	40

40 Students left during or after 2014-2015; total for all grades 6-12.

27 Students left during or after 2013-2014; total for all grades 6-12.

See Appendix C for comparison enrollment statistics between school years. Data on the Students Withdrawn Chart represents student withdraws as of June 30 of each year.

Academic Performance and 2014-2015 Accountability Data

Multiple Measures Rating (MMR) Results

MSA's Multiple Measure Rating (MMR) continued to increase from the previous two years. Slight gains were showed in the Growth and Gap areas with the Growth category showing an improvement of 1.6%. MSA's graduation and proficiency areas continue to be rated at 100%. When compared to schools in the area, MSA had a MMR rating that was 2.04% higher than the next highest MMR rating.

MMR Results

AYP Year	MMR Total Points	MMR Possible Points	MMR	Proficiency Points	Growth Points	Gap Points	Graduation Points
2012	73.08	75.00	97.45%	24.97	23.62	24.49	0.00
2013	55.01	75.00	73.34%	25.00	14.73	15.29	0.00
2014	88.58	100.00	88.58%	25.00	18.68	19.90	25.00
2015	90.40	100.00	90.40%	25.00	20.32	20.08	25.00

MCA Results

In breaking down the MCA scores, which can be found in Appendix D, the following was discovered.

For reading in all grades 6, 7, 8, and 10; 49 students were not at the proficient level (4 were in 10th grade); 266 students were proficient. Of the 266 students who were proficient, 145 students exceeded the standards. Students who exceeded standards represented 46% of the student population.

MCA results for math in grades 6, 7, and 8 showed that 43 did not meet the proficient level for the standard while 50.8% of the students exceeded standards. In 11th grade, 86% of the students exceeded standards while 3 students partially met the standard.

In science, only 5 of the 74 students tested in the high school did not meet the proficient level, while 47.9% exceeded the standard. In the 8th grade 28.7% exceeded the standard.

Subject	Grade	% Proficient	Subject	Grade	% Proficient
MATH	6 th	79%	READING	6 th	81%
	7 th	89%		7 th	87%
	8 th	82%		8 th	79%
	9 th	NA		9 th	NA
	10 th	NA		10 th	93%
	11 th	94%			
SCIENCE	High School	93%			
	8 th	70%			

ACT Results

Our most recent ACT results showed consistently high scores. The percent of ACT-tested students ready for college level course work shows that 100% of our kids tested college ready for college English composition (the fourth year in a row at 100%); 97% (a 7% increase from 2014) for college algebra; 87% (a 13% increase from 2014) for college social science and 97% for college biology (a 10% increase from 2014).

The composite score for graduating seniors on the ACT was a score of 28.8, which is 6.1 points higher than the state average. 87% of MSA students tested were deemed college ready, compared to a state average of 39%.

Average ACT Scores

	English	Math	Reading	Science
2007	27.8	26.3	28.0	27.8
2008	25.5 L	25.7	26.7	24.2 L
2009	28.1	27.5	30.0 H	27.5
2010	29.3	26.6	29.0	28.2 H
2011	29.3	28.9 H	28.3	28.2 H
2012	27.6	25.5 L	27.8	26.5
2013	29.4	26.9	27.9	27.3
2014	28.2	26.5	25.0 L	25.4
2015	29.5 H	28.7	28.6	28.0

PSAT Results

Each year, about 3.5 million students across the nation take the PSAT test. Its goal is to assess student's readiness for college and those students who score exceptionally well may be considered for the National Merit Scholarship. Students earn a "Selection Index" score which is used by combining the scores in each of the sub-tests (Critical Reading, Mathematics and Writing Skills.) Students earn a "Selection Index" score ranging from 20 – 240 and those scores are compared across the nation. There's a lot to celebrate here!

Juniors in the area of Critical Reading:

- The average score was 58.4
- PSAT calculates that the college and career readiness benchmark for Critical Reading is 45
- 22% of our students performed in the upper quartile of the scoring range
- Nearly one third of our students scored at or above the 90th percentile and 3 of our juniors scored in the 99th percentile.

Juniors in the area of Math:

- The average score was 60.9
- PSAT calculates that the college and career readiness benchmark for Math is 47
- 28% of our students performed in the upper quartile of the scoring range
- 7% of our students earned among the top scores on the test in Math
- 28% of our students scored at or above the 90th percentile and 3 students scored in the 99th percentile

Juniors in the area of Writing Skills:

- The average score was 56.0
- PSAT calculates that the college and career readiness benchmark for Writing is 45
- 16% of our students scored in the upper quartile of the scoring range
- 30% of our students scored at or above the 90th percentile and 2 students scored in the 99th percentile

Selection Index for Juniors:

- Every MSA student out-performed at least 30% of college-bound Juniors across the nation.
- 37% of our Juniors out-performed 90% of college-bound Juniors across the nation.
- Another 33% scored between the 80th and 89th percentile.

In 10th grade:

- 12 of 64 sophomores scored at or above the 90th percentile on their “Selection Index”
- More than one third of Sophomores at MSA scored at or above the 90th percentile in Critical Reading
- 39% of Sophomores scored at or above the 90th percentile in Math

Because there are fewer Freshman across the Nation who take the PSAT, their scores are compared with Sophomores. Our Freshman data shows:

- 4 of the 72 scored at or above the 90th percentile
- 11 students scored at or above the 90th percentile in Critical Reading
- 18 students scored at or above the 90th percentile in Math
- One of our Freshmen earned a perfect score of 80 on the Critical Reading test!

AP Test Results

Each year MSA students in grades 9 through 12 are given the AP exam in the subject area they are enrolled in if it is an AP approved course. For AP courses, most colleges will give credit to students when they achieve a score of 3 or higher. MSA students were successful at obtaining this level on 90.20% of their tests. Because some private colleges will require a score of a 4 for credit, MSA strives to have students achieve at least a 4 on their tests. To that end, MSA can claim that 64.71% of MSA students taking AP exams obtained that level.

AP Test Results

Subject	Number scoring a 5	Number scoring a 4	Number scoring a 3	Number scoring a 2	Number scoring a 1	Ave. Score	Total number of Students	% with 3 or higher	% with 4 or higher
Biology	2	8	9	1	0	3.55	20	95.00%	50.00%
Calculus AB	2	3	3	0	1	3.556	9	88.89%	55.56%
Calculus BC	7	1	2	0	0	4.5	10	100.00%	80.00%
Calculus AB (sub)	9	1	0	0	0	4.9	10	100.00%	100.00%
Chemistry	2	8	7	3	0	3.45	20	85.00%	50.00%
Eng. Lit & Comp	1	3	3	4	0	3.091	11	63.64%	36.36%
Japanese	1	0	0	0	0	5	1	100.00%	100.00%
Psychology	9	5	1	0	0	4.533	15	100.00%	93.33%
Statistics	2	2	1	1	0	3.833	6	83.33%	66.67%
Total	35	31	26	9	1	3.88	102	90.20%	64.71%

Comprehensive Educational Program Before During and After School

Not only does MSA stress such core curriculum areas as math, science, English, social studies, and Spanish, but the school also boasts music art programs. In addition, MSA students can enhance their educational experience by participating in a variety of after school activities including a Minnesota State High School League (MSHSL) cross country team, a newly added girls volleyball team, a Nordic Ski team (for both boys and girls), a boys basketball team, a boys and girls track team, MSHSL FIRST Robotics, as well as club level activities such as girls basketball, academic teams, theater, National Honor Society, Student Council, Academic Triathlon, Lego League Robotics, Spanish Club, Art Club, international field trip offerings, and other various school-sponsored social events and dances.

Operational Performance

MSA has a demonstrated record of providing a rigorous and successful education program for all students. Due to the relatively small size of MSA (approximately 471 students in grades 6-12), it has been less relevant to disaggregate our student data within the typical demographic categories of ethnicity, gender, or educational program. The advantage of our small school size is that MSA staff are able to sufficiently use the individual student data. It is our practice to specifically identify and address the needs of individual students not making adequate progress. The positive result of this is clearly reflected in the successful performance of MSA 9-11th grade students on the state-required graduation assessments.

MSA Parent Team Involvement

MSA is a community created and operated school that benefits from a well-organized and engaged Parent Team. The Parent Team is an official committee of the MSA Board of Directors (BOD) and provides a means for parents to meet together and work to support MSA. The Parent Team also provides a forum for parent discussion and can be a mechanism for developing recommendations for the BOD. All parents and guardians of MSA students are automatically members of the Parent Team and are invited to attend regularly scheduled meetings. Some activities that have received financial support from the Parent Team in the past include various school clubs and teams, the annual school play, prom, teacher conference dinners, MOL Day, Pi Day, transportation for field trips, school landscaping, all-school assemblies, and Lego robotics.

MSA also solicits input from its families by issuing an annual family satisfaction survey (See Appendix E). This year a new format was tried to increase parent feedback. Questions on the survey were reduced significantly with four questions relating to parental ratings of the school and four questions being open ended in nature.

From the survey, it is apparent that there is a strong sense that MSA offers curriculum that is above average, as all subject areas rated above average, with the science curriculum leading the ratings with an average score of above average. The math curriculum was slightly behind the science rating, which reflects well for the name sake of the school.

In the area of school functioning, parents rated the academic rigor of the courses very high and they identified teacher communication with parents as the area of greatest concern among those listed in the survey. When asked how often parents contacted school personnel, the average parent contacted school personnel on a weekly basis. The parents also indicated that their preferred mode of communication is via email, and then by use of the telephone.

Innovative Practices and Implementation

One of the most significant contributing factors in student academic performance is the effectiveness of classroom instruction. With quality instruction in mind, MSA considers professional development and advancing educational best practices critical. To ensure that each MSA teacher has the opportunity for individual professional growth, faculty are encouraged to seek professional development and leadership opportunities (internal and external to MSA) in their academic fields and are monetarily rewarded for their accomplishments.

MSA teachers are required to align their curriculum with both state standards, and national standards where appropriate. MSA curriculum and instruction are modified as needed by individual teachers and with the guidance and oversight of the MSA Board of Directors. MSA conducted a school-wide review of its curriculum over the past year to ensure the proper scope and sequencing is in place for its students.

At MSA, teachers drive staff development decisions in cooperation with the director and the MSA board. Last year staff development focused on Data Driven Instruction and curriculum mapping. As indicated earlier, we added many new courses – new electives, more AP and CIS classes (see Appendix F).

Future Plans and Program Challenges

Please note that Appendix G contains the Director Goals and Authorizer Goals.

Our biggest challenges are:

1. Financial – we have reached maximum enrollment. Therefore, future years will bring higher salaries and benefits than what the state and federal funds will supply.
2. Finding a way to successfully maximize a second administrator's skills into the program in a meaningful way using the strengths of both the director and the assistant director. Having an administrator in both buildings should help with discipline and other items pertaining to each building separately.
3. Having our school day change due to bus transportation from 7:30 a.m. to 9:20 a.m. has been a huge challenge. Teachers have had to work longer without a salary increase and the logistics are still being worked out.
4. Providing alternatives for our students before the beginning of the school day while maintaining the safety and security of everyone at MSA.
5. Finding classroom space for our increased course offerings.

Finances

FY14 Audit was conducted during July and August 2015, and was presented at the September 2015 Board of Directors meeting. The audit results are included in Appendix H.

Fund Balance: The School had another positive year financially as the fund balance in the General Fund increased by over two hundred thousand dollars. The ending fund balance total was over one and a half million dollars representing about 38% of expenditures. This is an important aspect in the MSA's financial well-being since a healthy fund balance is a cushion against unanticipated expenditures, enrollment declines, state aid metering changes and funding deficiencies. MSA once again had a clean audit.

See Appendix H for a copy of the 2014-2015 financial statements. MSA's Long Range Budget Plan can be located in Appendix I.

Authorizer Information

Since opening in the fall of 1999, The Math and Science Academy, MSA has had an authorizer. We had no significant issues to keep MSA from receiving our 5-year contract instead of the 3 year contract. Our authorizer is Student Achievement of Minnesota (SAM). SAM's director is Liz Wynne, 763-557-6676, lizwynn2@gmail.com, P.O. Box 581639, Minneapolis, MN 55458-1639.

Non-Profit Status

Attorney General - Lori Swanson
Minnesota Attorney General's Office
 1400 Bremer Tower - 445 Minnesota Street - St. Paul, MN 55101

Organization Name	MATH AND SCIENCE ACADEMY
Organization Type	TRUST
Contact Person	BOB KREISCHER
Address	8430 WOODBURY CROSSING
City	WOODBURY
State	MN
Zip Code	55125
IRS Code 501(c)	03
Purpose or Description	To promote effective education for students at the Math and Science Academy charter school.
Phone Number	(651) 578-7507
Status	ACTIVE

EDITOR:

John Gawarecki
Director: Math and Science Academy
jgawarecki@mnmsa.org
651-308-2017

Activities at the Math and Science Academy

Middle School

Boys Cross Country
Girls Cross Country
Girls Volleyball
Boys Nordic
Girls Nordic
Girls Basketball 7 and up
Boys Track
Girls Track
Math League
Student Council
Quiz Bowl
Newspaper
Boys Basketball 7 and up
Lego League
Trap Shooting
Drama
Jazz Ensemble
Debate/Speech 7 and up
Science Bowl 7 and up
Geography Bee
Asian Club
Art Club
Cooking Club
African Club
Spanish Club
Chess Club
writing club
Sci Fi Club
Earth Club
Spelling Bee
Orchestra

High School

Boys Cross Country
Girls Cross Country
Girls Volleyball
Boys Nordic
Girls Nordic
Girls Basketball
Boys Basketball
Boys Track
Girls Track
Trap Shooting
Robotics
Debate/Speech
Honor Society
Student Council
Newspaper
Drama
Jazz Ensemble
Show Choir
Science Bowl
Asian Club
Art Club
Cooking Club
African Club
Spanish Club
Chess Club
writing club
Sci Fi Club
Earth Club
Year Book
Orchestra

MSA Director Development Plan

Preface:

The Minnesota Department of Education requires a development plan for an administrator without a license. The plan is to include the following: instruction and assessment, human resource and personnel management, financial management, legal and compliance management, effective communication, board, authorizer and community relationships.

By way of introduction, Mr. Kreischer has over 40 years of administrative experience in public, independent and charter schools. He started a K-12 independent school that grew to 625 students during his 20 years as Head of School. For the next six years he was a “troubleshooter” for charter schools. He then spent 4 years getting a charter high school set up with graduation requirements, schedules, etc. and then for the next three years was the principal, college counselor, and PSEO coordinator of that school.

In all those schools, Mr. Kreischer was fortunate to see many different organizational charts, methods for teaching, as well as a variety of learning and assessment programs. He created and maintained budgets; helped train charter school boards and advised boards regarding the legality of adopted policies. He has learned there is no one way that works. It is the end results that matter.

Plan	Results	Next Year’s Goal
<i>INSTRUCTION AND ASSESSMENT</i>		
<p>When I came to the Math and Science Academy last August I found the first attempt to have teacher observations and evaluation in the school happened the previous spring. When two people were put on improvement plans, the board overturned these. The result was staff, board, H.R. and the school’s lawyer hashed out a process people could live with.</p> <p>I had to adopt this plan and be the first person to put the plan into action. Additionally, there were many teachers having 10+ years of experience, who had never been evaluated, never told there was an issue with their teaching. In before-school discussions I indicated I felt good teaching included data driven instruction. I planned to weave this into observations and feedback.</p> <p>Put together curriculum maps to be presented to parents the fall of 2013.</p>	<p>One teacher wound up on an improvement plan; we worked through the process and I did not hire him back as a result. Otherwise, the evaluation process went well. A staff evaluation of me, done by the Board, indicated I promoted higher expectations for teaching and the evaluation forms effectively communicated the standards of the teacher’s performance.</p>	<ol style="list-style-type: none"> 1. Analyze data from MCA and ACT tests to help inform planning and instruction. 2. Require specific teacher plans connecting their goal to staff development. 3. Have teachers visit another teacher at another school to see what, and how they do. 4. Present curriculum to 6-12 grade parents.

Plan	Results	Next Year's Goal
<i>HUMAN RESOURCES AND PERSONNEL MANAGEMENT</i>		
<p>This area is one I have had a great deal of experience. I have always led the hiring team, been the teacher evaluator, responsible for not rehiring; organizing staff meetings and working on individual and team relationships.</p> <p>MSA like all schools had their issues – a staff divided over the teachers whose improvement plan was overturned, a divided staff over the lack of leadership as well as a department who felt they could not meet together without a mediator.</p> <p>My goal was to provide leadership and improve the climate and culture of the school by:</p> <ul style="list-style-type: none"> • Improve “team” feeling so that 85% of staff would agree it was improved over last year. • Fairly recognize and celebrate the achievements of staff and students. (Golden Calculators – staff and many student celebrations) • Address current and potential issues in a timely manner. 	<p>Three end-of-the year director evaluations, by students, staff and board provide evidence of accomplishment. (See Addendum A)</p> <p>I also attended a board training which dealt with issues related to human resource and personnel management.</p>	<p>Next year I will continue with the goals listed as bullet points to the left. It will take at least two years of the same or better to feel comfortable that we are on the right track building community, a “together we” with mutual respect on everyone’s part.</p> <p>Adding one-third new staff will add to the changing environment and will require careful planning.</p>
<i>FINANCIAL MANAGEMENT</i>		
<p>My goal was to be sure we met all of our financial obligations and to have money left for the reserve, and enough to comply with our agreement with the bondholders. Additionally, I put together a budget for 2013-14 focusing on teacher salaries and adding new staff.</p>	<p>I managed the finances of the school basically through (BKDA), our contracted financial manager. I oversaw a budget that once again produced a surplus at end of the year, helped plan a new budget that met bond owner contingencies, and hired a new staff, as a result of trying to solve student retention problems (see below).</p> <p>Hiring new staff was a problem because the long range plan for the bond holders set for hiring only two new teachers, when instead we will be hiring nine new teachers. Therefore, we needed to work hard to find other places to reduce the budget in order to meet the bond holder’s agreement. Knowledge of how finances and budgets work, which I had, was helpful.</p> <p>There were also financial plans necessary for the new building construction, outfitting the new building with furniture, etc. and making needed upgrades in the old building.</p>	<p>Next year we will look at meeting the bond requirements over the next five years.</p> <p>We also determine what is still needed in the new and old buildings, and what we should be fundraising for.</p>

Plan	Results	Next Year's Goal
LEGAL AND COMPLIANCE MANAGEMENT		
Learn what is needed and comply.	<p>Several times I consulted with our H.R. as how I should deal with two people I was letting go for different reasons.</p> <p>One was for performance the other because Minnesota employees are at will, which allows termination.</p> <p>Made a calendar of all due dates of the things required by the state and authorizer.</p>	Next year the goal is to file all the required state and authorizer documents on time.
EFFECTIVE COMMUNICATION		
<ol style="list-style-type: none"> 1. Work to be an effective communicator – at staff meetings, department meetings, and individual meetings with staff, such as meeting with every staff member during the summer to get to know them. 2. Work to effectively communicate to the Board of Directors and to the MSA families. 3. Be visible to students throughout the day and available to students and staff. 4. Respond to the Board of Directors request for information. 5. Involve staff as decision makers. 	<p>I met with each staff member individually during the summer to check on expectations, etc. I held regular staff meetings, sent notes as needed, as well as a “State of the School”. I kept these in a notebook. Department and staff meetings have “minutes” taken, of which I receive copies.</p> <p>I attended every parent meeting and have spoken/responded to questions, and attended parent functions such as clean up the grounds day. I go to the kids’ concerts, plays and fund raisers. These provide an opportunity to converse with parents and to show my support of students’ efforts.</p> <p>I am in the hallways and lunchroom at least three times a day to greet students, and tell students “Congratulations” on their accomplishments.</p> <p>I have effectively communicated to the board responding to requested information.</p> <p>I involved staff with being on the scheduling committee, asking for their budget requests, requesting new furniture orders for the new building, creating a school year calendar, and a staff development committee to plan staff development for next year, etc.</p>	<p>Next year my goal is to effectively communicate with the parents to keep them informed.</p> <ol style="list-style-type: none"> 1. Next year I would continue to find ways to involve staff in decision making. 2. Find even better ways to assure all staff are communicated with regarding any issues affecting them. 3. Communicate more clearly in writing and orally.

Plan	Results	Next Year's Goal
<i>BOARD, AUTHORIZER AND COMMUNITY RELATIONSHIPS</i>		
<p>Ensure all reports due to the authorizer are submitted in a timely fashion.</p> <p>Attend the board meetings and make a director's report as requested.</p> <p>Come up with a plan for an issue brought up during my hiring interview, related to making the MSA high school a viable option. Essentially, it meant reducing the number of 8th graders leaving to go to other high schools for 9th grade. (Last year we lost 30 such students.) My personal goal was to cut that in half – to 15.</p> <p>The other part of this goal was to reduce the number of PSEO students, especially those going full time. Sometimes, due to the limit of courses offered at MSA, students had no choice but to go PSEO, e.g. Calculus II. The reason to try to entice more students to stay here was in part financial, as we lose the dollars of those students going PSEO. But also because we lose leaders and role models in the high school. Last year 24 of 28 seniors went full or part time PSEO, 14 were full time. For the juniors 11 went full or part time PSEO.</p> <p>Reduce the number of building and room changes for the staff. This was a major issue for staff.</p>	<p>I have made a calendar of all reports that are due in order to better submit them in a timely fashion.</p> <p>Done.</p> <p>I have kept the local paper apprised of things students have done which resulted in articles in the Woodbury Press and the St Paul paper's education section.</p> <p>There were additional goals that I set with the board, and goals that we as a staff set. I set 6 personal goals with sub goals. (See Addendum B)</p> <p>I spent time finding out what students going PSEO were taking at college and what classes they were taking here at MSA. I also asked students what classes would they want to see offered, and what classes might keep them here on campus. I then asked departments, after seeing these lists, what classes they might be willing to teach as electives. (Currently, students in elective classes did not really "elect" to take those. They were placed in classes to reduce the number in large classes.) We also, on block days, had students with 2 (a few at 3) 90 minute study halls in the same day.) So, we added some electives the students requested. Next year's seniors will have only 8 full time and 6 part time PSEO and 12 with no PSEO. That means only 53.8% of the seniors are PSEO for next year while this year we had 85.7%. For the 34 juniors 24 are staying at MSA full time next year; only 7 will be full or part time PSEO. (Three are not returning.) That means only 20% will be PSEO. Last year, 44% (11 out of 25) went full or part time PSEO</p> <p>Done.</p>	<p>Next year do a better job of getting the MSA name out in the Woodbury community.</p> <p>Continue to reduce the number leaving from 8th to 9th grade and also those full-time PSEO.</p> <p>"Survey" how the results have benefited the school.</p> <p>Continue to look at better ways to use the classrooms.</p>

Plan		Results	Next Year's Goal
STAFF GOALS			
<p>Summary below.</p> <p>The staff, which includes me, also had goals.</p> <ol style="list-style-type: none"> 1. Improve communications with all constituents, especially between staff members. 2. Manage getting bigger. 3. Make a smooth transition from last year to this one. 4. Establish who we are and check to see if we are true to our mission. 		<p>Based on teacher surveys we met to some significance all but number 4.</p>	<p>Will put together staff goals at the August workshop meeting.</p>

Appendix C

Enrollment Numbers from 2012-13 to 2015-16

Student Enrollment							
2012-13		2013-14		2014-15		2015-16	
6 th Grade	89	6 th Grade	88	6 th Grade	79	6 th Grade	85
7 th Grade	89	7 th Grade	86	7 th Grade	90	7 th Grade	84
8 th Grade	89	8 th Grade	88	8 th Grade	87	8 th Grade	88
9 th Grade	55	9 th Grade	72	9 th Grade	74	9 th Grade	74
10 th Grade	36	10 th Grade	51	10 th Grade	61	10 th Grade	67
11 th Grade	25	11 th Grade	32	11 th Grade	50	11 th Grade	56
12 th Grade	28	12 th Grade	24	12 th Grade	30	12 th Grade	50
TOTAL	411	TOTAL	441	TOTAL	471	TOTAL	504

Waiting List							
2012-13		2013-14		2014-15		2015-16	
6 th Grade	123	6 th Grade	119	6 th Grade	152	6 th Grade	124
7 th Grade	62	7 th Grade	71	7 th Grade	74	7 th Grade	67
8 th Grade	0	8 th Grade	32	8 th Grade	25	8 th Grade	44
9 th Grade	0	9 th Grade	25	9 th Grade	44	9 th Grade	43
10 th Grade	10	10 th Grade	11	10 th Grade	3	10 th Grade	7
11 th Grade	4	11 th Grade	6	11 th Grade	2	11 th Grade	8
12 th Grade	0	12 th Grade	0	12 th Grade	2	12 th Grade	0
TOTAL	199	TOTAL	264	TOTAL	302	TOTAL	293

Declined Acceptance							
2012-13		2013-14		2014-15		2015-16	
6 th Grade	21	6 th Grade	16	6 th Grade	23	6 th Grade	11
7 th Grade	7	7 th Grade		7 th Grade	0	7 th Grade	0
8 th Grade	13	8 th Grade		8 th Grade	7	8 th Grade	0
9 th Grade	20	9 th Grade		9 th Grade	16	9 th Grade	12
10 th Grade	0	10 th Grade	0	10 th Grade	3	10 th Grade	2
11 th Grade	4	11 th Grade	0	11 th Grade	3	11 th Grade	8
12 th Grade	0	12 th Grade	0	12 th Grade	3	12 th Grade	0
TOTAL	65	TOTAL	16	TOTAL	55	TOTAL	33

Yearly Student Withdraws (as of June 30)

2012-13		2013-14		2014-15		2015-16	
6 th Grade	3	6 th Grade	3	6 th Grade	2	6 th Grade	1
7 th Grade	4	7 th Grade	0	7 th Grade	3	7 th Grade	4
8 th Grade	27	8 th Grade	17	8 th Grade	23	8 th Grade	23
9 th Grade	9	9 th Grade	4	9 th Grade	7	9 th Grade	11
10 th Grade	1	10 th Grade	2	10 th Grade	2	10 th Grade	7
11 th Grade	1	11 th Grade	1	11 th Grade	2	11 th Grade	0
12 th Grade	0	12 th Grade	0	12 th Grade	0	12 th Grade	0
TOTAL	44	TOTAL	27	TOTAL	39	TOTAL	46

Test Scores Annual Comparisons

MCA Test Results

	Math (11th)	Reading (10th)	Writing (9th)	Science
2009	91.3%/73.9% E	100%/ 78% E	100%/100% *	83.3%/31% E All H.S.
2010	94.1%/94.1%*	96.6%/96.6%*	100%/100% *	89.4%/34% E All H.S.
2011	96.2%/96.2%*	97.1%/76.5% E	100%/100% *	82.1%/33% E 8th and 9th
2012	75%/42.9% E	100%/71.4% E	100%/100% *	97.7%/55.8% E All H.S.
2013	92%/40% E	96%/68% E	100%/100% *	94.5%/55.6% E All H.S.
2014	100%/81% E	96%/73% E	N/A	90.0%/54% E All H.S.
2015	94%/86.0% E	93.3%/61.0% E	N/A	93.2%/47.9 % E All H. S.

Average ACT Test Scores

	English	Math	Reading	Science
2007	27.8	26.3	28.0	27.8
2008	25.5 L	25.7	26.7	24.2 L
2009	28.1	27.5	30.0 H	27.5
2010	29.3	26.6	29.0	28.2 H
2011	29.3	28.9 H	28.3	28.2 H
2012	27.6	25.5 L	27.8	26.5
2013	29.4	26.9	27.9	27.3
2014	28.2	26.5	25.0 L	25.4
2015	29.5 H	28.7	28.6	28.0

Percent of ACT Tested Students Ready for College-Level Course Work

	College English	College Algebra	College Social Studies	College Biology	All Four
2008	91% L	91%	87%	52% L	48% L
2009	96%	89%	93%	89%	78%
2010	100% H	95%	100% H	90%	90% H
2011	100% H	100% H	90%	90%	84%
2012	100% H	88%	96%	83%	79%
2013	100% H	82% L	93%	93%	82%
2014	100% H	91%	74% L	87%	65%
2015	100% H	97%	87%	97% H	87%

MCA

1st number = Percent Proficient
 E = Exceeds
 * = Passed

ACT

L = Lowest
 H = Highest

Multiple Measures Rating (MMR)

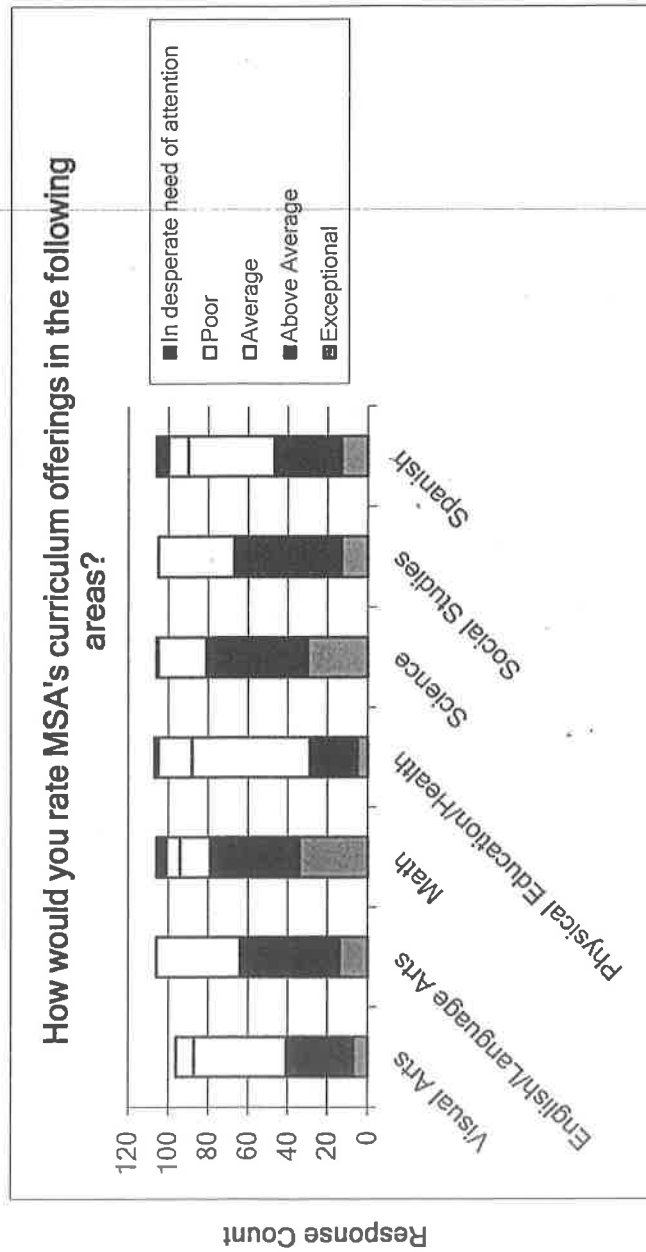
AYP Year	MMR Total Points	MMR Possible Points	MMR	Proficiency Points	Growth Points	Gap Points	Graduation Points
2012	73.08	75.00	97.45%	24.97	23.62	24.49	0.00
2013	55.01	75.00	73.34%	25.00	14.73	15.29	0.00
2014	88.58	100.00	88.58%	25.00	18.68	19.90	25.00
2015	90.40	100.00	90.40%	25.00	20.32	20.08	25.00

Parent Survey

Parent Survey Summer 2015

How would you rate MSA's curriculum offerings in the following areas?

Answer Options	In desperate need of attention	Poor	Average	Above Average	Exceptional	Response Count
Visual Arts	0	9	46	34	7	96
English/Language Arts	0	0	42	50	14	106
Math	5	7	15	45	34	106
Physical Education/Health	2	17	59	24	5	107
Science	0	1	24	51	30	106
Social Studies	0	0	38	54	13	105
Spanish	6	10	43	34	13	106
			<i>answered question</i>			107
			<i>skipped question</i>			4



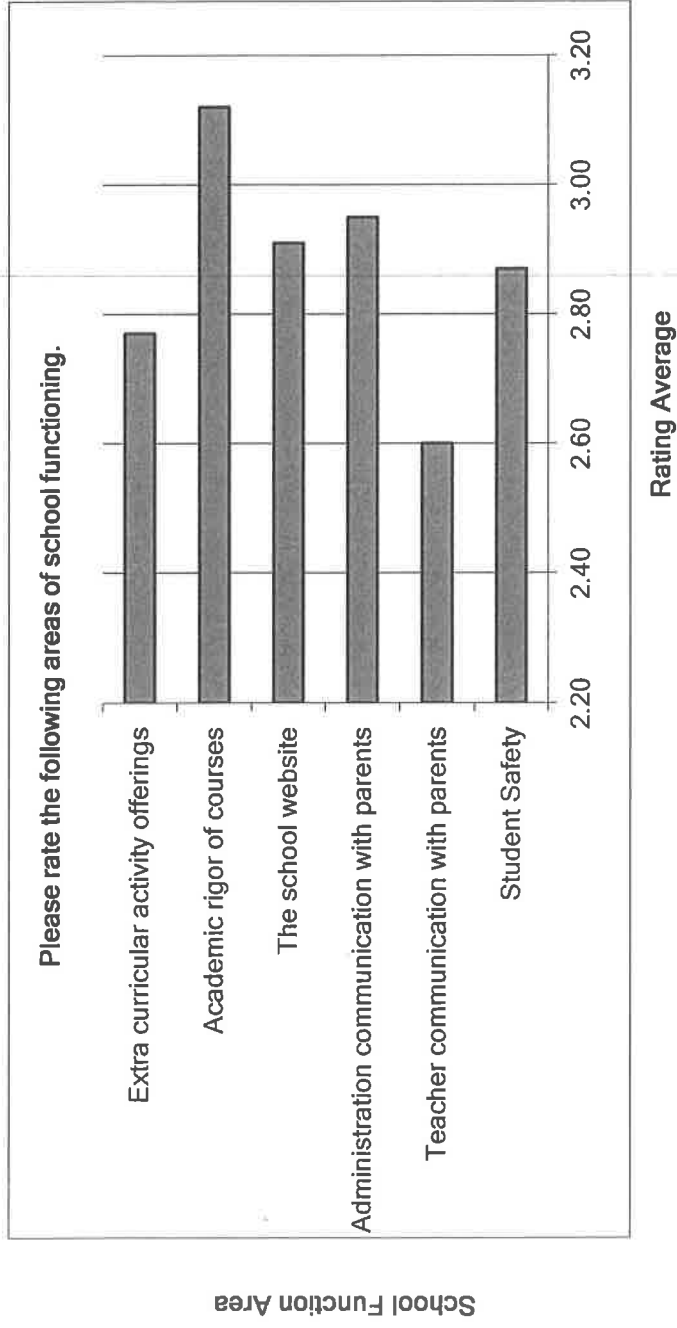
Curriculum Area

Parent Survey Summer 2015

Please rate the following areas of school functioning.

Answer Options	Needs immediate attention	Needs some attention	Meets my expectations	Exceeds my expectations	Rating Average	Response Count
Student Safety	5	17	64	14	2.87	100
Teacher communication with parents	11	25	56	7	2.60	99
Administration communication with parents	4	16	62	19	2.95	101
The school website	3	15	71	12	2.91	101
Academic rigor of courses	1	12	62	26	3.12	101
Extra curricular activity offerings	4	24	65	9	2.77	102

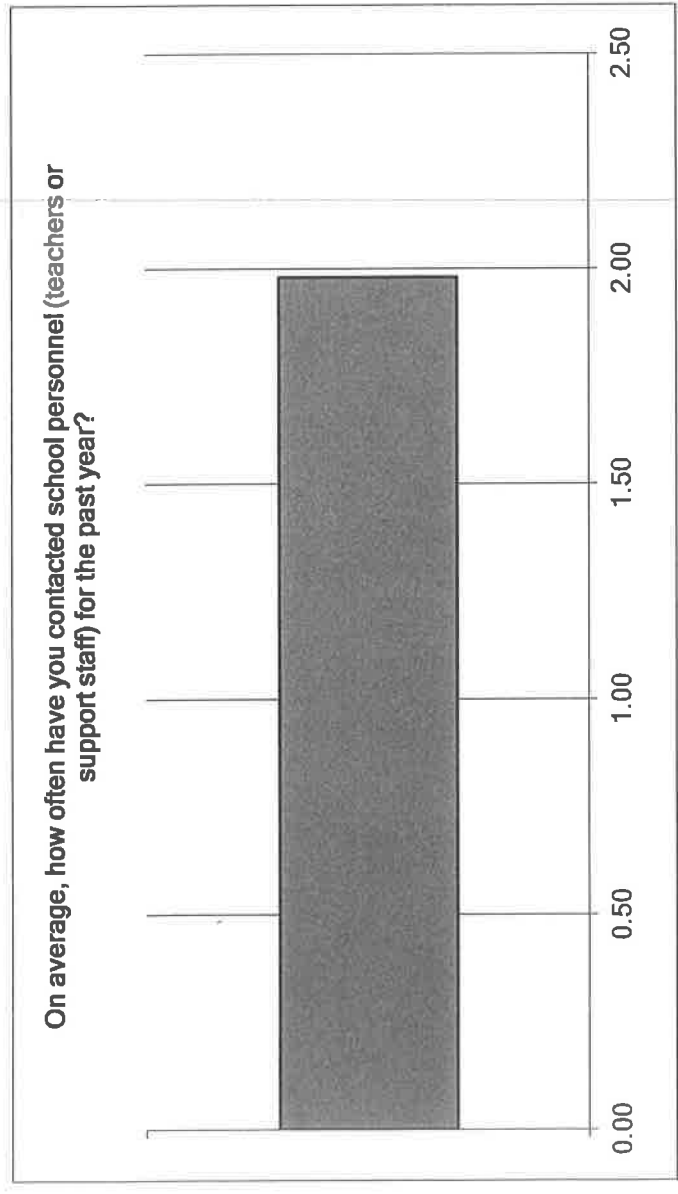
103 answered question
8 skipped question



Parent Survey Summer 2015

On average, how often have you contacted school personnel (teachers or support staff) for the past year?

Answer Options	0 times per month	1-5 times per month (weekly)	6-15 times per month (biweekly)	15 - 30 times per month (daily)	more than 30 times a month (more than once a day)	Response Count
	20	64	12	3	0	99
Rating Value	1	2	3	4	5	
	<i>answered question</i>					99
	<i>skipped question</i>					12



Rating Average

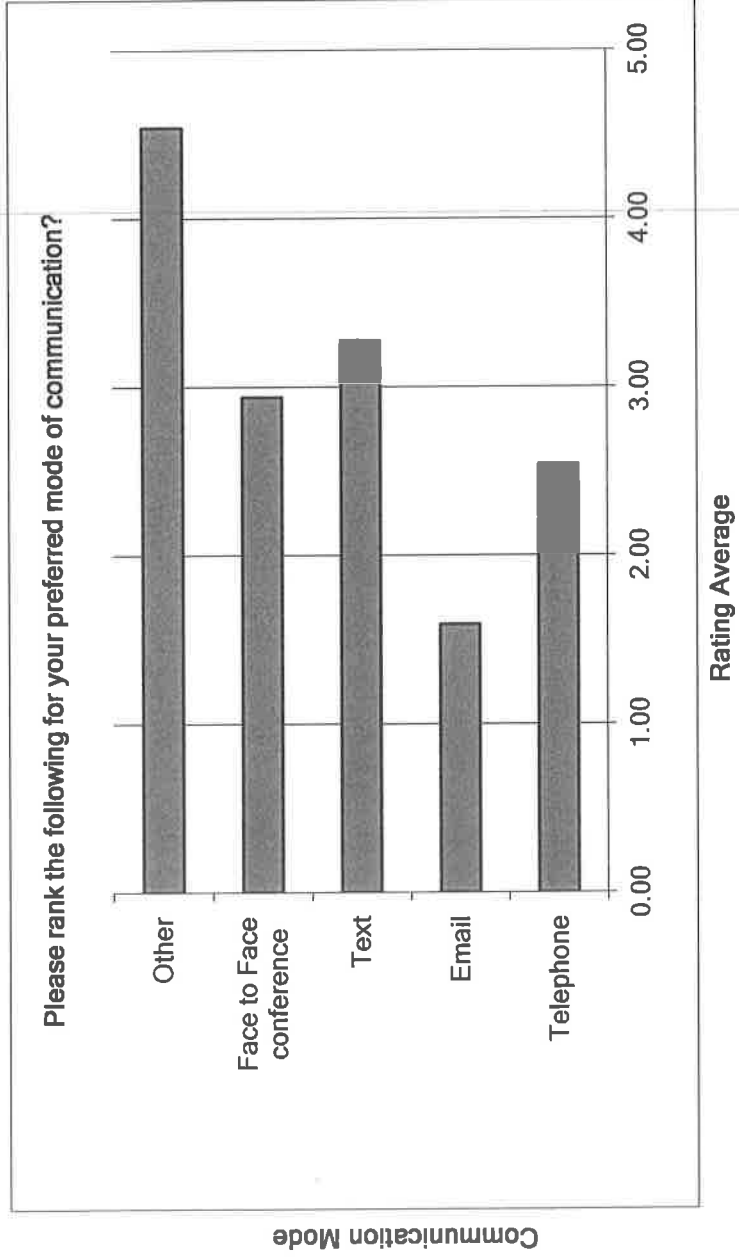
Parent Survey Summer 2015

Please rank the following for your preferred mode of communication?

Answer Options	1	2	3	4	5	Rating Average	Response Count
Telephone	9	40	24	10	4	2.54	87
Email	67	14	7	3	5	1.59	96
Text	7	16	18	35	9	3.27	85
Face to Face conference	10	20	37	26	4	2.94	97
Other	2	1	3	9	41	4.54	56
							99
							12

answered question
skipped question

Note: The lower the score, the more preferred by parents.



What specific comments do you have concerning MSA's curriculum offerings?

In addition to the AP courses, would like to see more CIS courses offered. I am really happy that the music and arts programs are so wonderful. None- I think the school does a great job of preparing students for a lifetime of science. Curriculum offerings have really improved over the past 12-24 months. Too much homework. More homework does not equal greater learning. I think it is what it is. It is a small school with a well-defined focus. After students take physics in 11th grade, there are no other science options and forces kids to go to PSEO.

One improvement that I would like to see at MSA is...

Improved communication--especially when it comes to clubs and extra-curricular activities I would like to see MSA improve their guidance for PSEO and college selection help. Get a text book(s) for math ! :) Collect anonymous online course evaluations from students AND parents during mid-term of key courses. Go back to earlier school hours. Grades being posted on skyward for assignments, test, projects etc timely. More security! Reduction in teacher turn-over.

What is your biggest concern about MSA?

Not much help for kids looking at colleges etc. Turnover of administration and loss of teachers. Safety (I Donot see any restriction ! I see anyone can get in and leave both buildings with no one knows! Keeping the intimate feeling of the school while growing. Communication Retention of students past 9th grade - I'd hate to see the school fail because we cannot keep students and families interested in attending. Continuing academic rigor, MSA's 'nerds are cool' culture and mutual respect between students and teachers with incoming students and teachers. That it will lose its vision.

What additional question/comment do you have the director? Please leave contact information if you would like a personal follow-up to your question/comment.

Since the school name is Math and Science Academy, I wish the school focuses on Math and Science more. We are confident in the school and the choices it makes for our students. We look forward to a successful year and thank you for asking for our opinion.

Cut down on the number of emails that go out from the school collectively.

Welcome to our little quirky world!

My kids really like the healthy snack day. Thanks PTA. We like the laptops & flipped classrooms.

My daughter is so very grateful to be able to attend MSA. One of the most important parts of her life to date was receiving the letter of acceptance to MSA in March, 2010.

Thank you for taking the time, energy and initiative to put this survey together!!!

Sure would be nice to have a flag flying on the existing pole by the front of school.

More transparency on what is going on and facilitating more parents input and involvement.

It's a great school and a terrific fit for most of the kids who attend.

Electives By Grade 2014-15

Year-long unless otherwise noted.

6th Grade

- 6 Art
- 6/7 Concert Band
- 6 Introduction to Band
- 6 Study Skills
- 6 World of Music

7th Grade

- 7 Art and Technology (Semester 1 or 2)
- 6/7 Concert Band
- 7/8 Engineering (Semester 1 or 2)
- 7/8 Spanish Conversation (Semester 1 or 2)
- 7/8 Speech and Storytelling (Semester 1 or 2)
- 7/8 Theater (Semester 1 or 2)
- 7/8 Wind Band

8th Grade

- 7/8 Engineering (Semester 1 or 2)
- 7/8 Spanish Conversation (Semester 1 or 2)
- 7/8 Speech and Storytelling (Semester 1 or 2)
- 7/8 Theater (Semester 1 or 2)
- 7/8 Wind Band
- 8-12 Geometry *Must have taken Alg II.*

9th Grade

- 9-12 AP Art Studio
- 9-12 AP Biology
- 9-12 Ceramics (Semester 2) *Must have instructor permission or taken Sculpture & Craft.*
- 9-10 Computer Science (Semester)
- 9-12 Digital Photography and Visual Comm. I (Semester I)
- 9-12 Digital Photography and Visual Comm. II (Semester 2)
- 9-12 Drawing (Semester)
- 8-12 Geometry
- 9-12 Painting (Semester)
- 10-12 Research Writing (Semester 2)
- 10-12 Rube Goldberg (Semester 1)
- 9-10 Science of Flight (Semester 2)
- 9-12 Sculpture & Craft (Semester)
- 9-12 Wind Ensemble

10th Grade

- 10-12 Anatomy and Physiology (Biology pre-req)
- 9-12 AP Art Studio
- 9-12 AP Biology
- 10-12 AP Calculus I
- 10-12 AP Chemistry
- 10-12 Bio Medical (semester)
- 9-12 Ceramics (Semester 2) *Must have instructor permission or taken Sculpture & Craft.*
- 10-12 Composition For Real Life (Semester 1)
- 9-10 Computer Science (Semester)
- 9-12 Digital Photography and Visual Comm. I (Semester I)
- 9-12 Digital Photography and Visual Comm. II (Semester 2)
- 9-12 Drawing (Semester)
- 8-12 Geometry
- 9-12 Painting (Semester)
- 10-12 Research Writing (Semester 2)
- 10-12 Rube Goldberg (Semester 1)
- 9-10 Science of Flight (Semester 2)
- 9-12 Sculpture & Craft (Semester)
- 9-12 Wind Ensemble

11th and 12th Grade

- 10-12 Anatomy and Physiology (Biology pre-req)
- 9-12 AP Art Studio
- 9-12 AP Biology
- 10-12 AP Calculus I
- 11/12 AP Calculus II
- 10-12 AP Chemistry
- 11/12 AP Literature and Composition
- 11/12 AP Spanish Language & Culture
- 10-12 Bio Medical (semester)
- 9-12 Ceramics (Semester 2) *Must have instructor permission or taken Sculpture & Craft.*
- 9-12 Digital Photography and Visual Comm. I (Semester I)
- 9-12 Digital Photography and Visual Comm. II (Semester 2)
- 9-12 Drawing (Semester)
- 8-12 Geometry
- 9-12 Painting (Semester)
- 10-12 Rube Goldberg (Semester 1)
- 9-12 Sculpture & Craft (Semester)
- 9-12 Wind Ensemble OR
Online – an option only for those taking PSEO (11/12th grade only or have a full schedule)

Director's Goals

1. Provide leadership for MSA
 - a. Build a strong and positive sense of community.
 - b. Address current and potential issues in a timely manner.
 - c. Help to create staff cohesion through defined leadership roles.
 - d. Be easily accessible and approachable to all stakeholders.
 - e. Have staff meetings alternate between buildings.
 - f. Meet with office managers, assistant director, and activities director once a week.
2. Communication
 - a. Create a climate where people can speak their mind and can collaborate to solve problems. This will be accomplished through formal and informal evaluations.
 - b. All communication will obtain feedback to verify understanding.
 - c. Director will be open and promote active employee communication directed at resolutions with the correct source.
3. Legislation
 - a. Director will ensure new state mandates are followed and evaluated throughout the school year.
 - b. Director will put program(s) in place as needed to fulfill new legislation requirements.
4. Director will support Authorizer and the Board of Directors goals as needed.

Authorizer Goals (World's Best Work Force)

Goal 1 – Proficiency

The Math and Science Academy (MSA) will score 90% or above in proficiency on the 10th grade reading, and 11th grade math for Fiscal Years 2015-2018. (High school science will be included when it becomes a graduation requirement.)

Goal 2 – Comparative Proficiency

Math and Science Academy will meet or exceed South Washington County Schools, and the State for grades 6, 7, 8, 9, 10, and 11 on the Math and Reading MCA tests offered, for Fiscal Years 2015-2018.

Goal 3 - Growth

Math and Science Academy's MMR rating (Z score) will exceed, or not go below 10% of the 2013 Z score, for Fiscal Years 2015-2018. The 2013 Z score is 0.129

Goal 4 – Achievement Gap Reduction

By the conclusion of FY 2017, for both reading and math, the proficiency rate for each subgroup for which the School has publicly-reportable/sufficient counts in 2013 will be no less than:

[One-half of (100 – 2013 subgroup proficiency rate)] + 2013 subgroup proficiency rate and by the conclusion of FY 2018, the rates achieved in FY 2017 will be exceeded.

In addition, by the conclusion of FY 2018, the difference between the non-FRL proficiency rate in the School, and the FRL proficiency rate will be no greater than five percentage points for both reading and math.

Goal 5 – Nationally Normed Assessments

For Fiscal Years 2015-2018, students taking the **PSAT** will score, by grade, as follows:

- a. 10th – 75%
- b. 11th – 85%

B. For Fiscal Years 2015-2018, students taking the **ACT** will score, by subject area, as follows:

- a. College English – 95%
- b. College Algebra – 90%
- c. College Social Studies – 90%
- d. All of the above – 80%

Goal 6 – Professional Development

For Fiscal Years 2015-2018, all teachers will participate in professional development, determined by the administration and staff. Staff and administration will select a minimum of one staff development day, devoted to school-wide professional development. Attainment of this goal will be documented by attendance and a survey as to applicability of the professional development.

Goal 7 – Parental Satisfaction

1. At least 85% of all parents returning the annual survey will indicate overall satisfaction with the school program.
2. At least three concerns (those noted in 10% or more of returned surveys) will have formal plans, developed by the school, to address them. Progress toward the plans will be documented on an annual basis.

Audit



CliftonLarsonAllen LLP
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September 1, 2015

Members of the Board of Directors
Charter School No. 4043
Math and Science Academy
Woodbury, Minnesota

This Executive Audit Summary and Management Report presents information which we believe is important to you as members of the School Board. We encourage you to review the sections of this report, the audited financial statements and the auditors' reports.

We would be pleased to furnish additional information with respect to these suggestions and discuss this memorandum with you at your convenience. We wish to express our appreciation to the School for the courtesies, cooperation and assistance extended to us during the course of our work.

CliftonLarsonAllen LLP

A handwritten signature in cursive script that reads 'Dennis Hoogeveen'.

Dennis Hoogeveen, CPA
Principal

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
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JUNE 30, 2015**

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**EXECUTIVE AUDIT SUMMARY (EAS)
FOR
MATH AND SCIENCE ACADEMY
YEAR ENDED JUNE 30, 2015**

AUDIT FINDINGS AND RESULTS

Audit Opinion – The financial statements are fairly stated. We issued what is known as a “clean” audit report.

Yellow Book Comments – No compliance issues were noted in our review of laws, regulations, contracts, grant agreements or other matters that could have significant financial implications to the School.

Internal Controls – There were no material weaknesses noted in the current year related to internal controls.

Legal Compliance – One compliance issue was reported with respect to Minnesota Statutes related to charter schools and UFARS accounting due to two invoices being paid after the statutory standard payment term of 35 days.

Enrollment – For fiscal 2014-15, Math and Science Academy served a net average daily membership of 443.86 (or 516.82 pupil units and 558.04 transition pupil units). For fiscal year 2013-14, the School had served an average daily membership of 418.82 (or 523.35 pupil units).

Fund Balance – For fiscal 2014-15 the fund balance in the General Fund increased by \$220,417. The fund balance ended at \$1,669,523 as of June 30, 2015. The ending fund balance represents 37.9% of expenditures incurred for the year and is an important aspect in the School's financial well-being since a healthy fund balance represents things such as cashflow, as a cushion against unanticipated expenditures, enrollment declines, state aid metering changes, program expansion costs, funding deficiencies and aid prorations at the state level and similar problems.

Budget to Actual – Total General Fund revenues on a net basis were \$358,148 (or 8.4%) higher than the budgeted amount while total expenditures were \$196,357 (or 4.7%) higher than had been budgeted. As part of any budget update initiated for fiscal 2015-16, the Board will want to take these variances into consideration in order to limit budget differences to every extent possible. We generally like to recommend that budget variances in a charter school environment (which is more volatile than in a traditional school environment but on a much smaller scale) be limited to 1% to 2% on either side of zero. This may involve tightening up the budget development and monitoring process to ensure that net variances remain within those parameters and would generally include a minimum of one mid-year budget amendment to update budget assumptions.

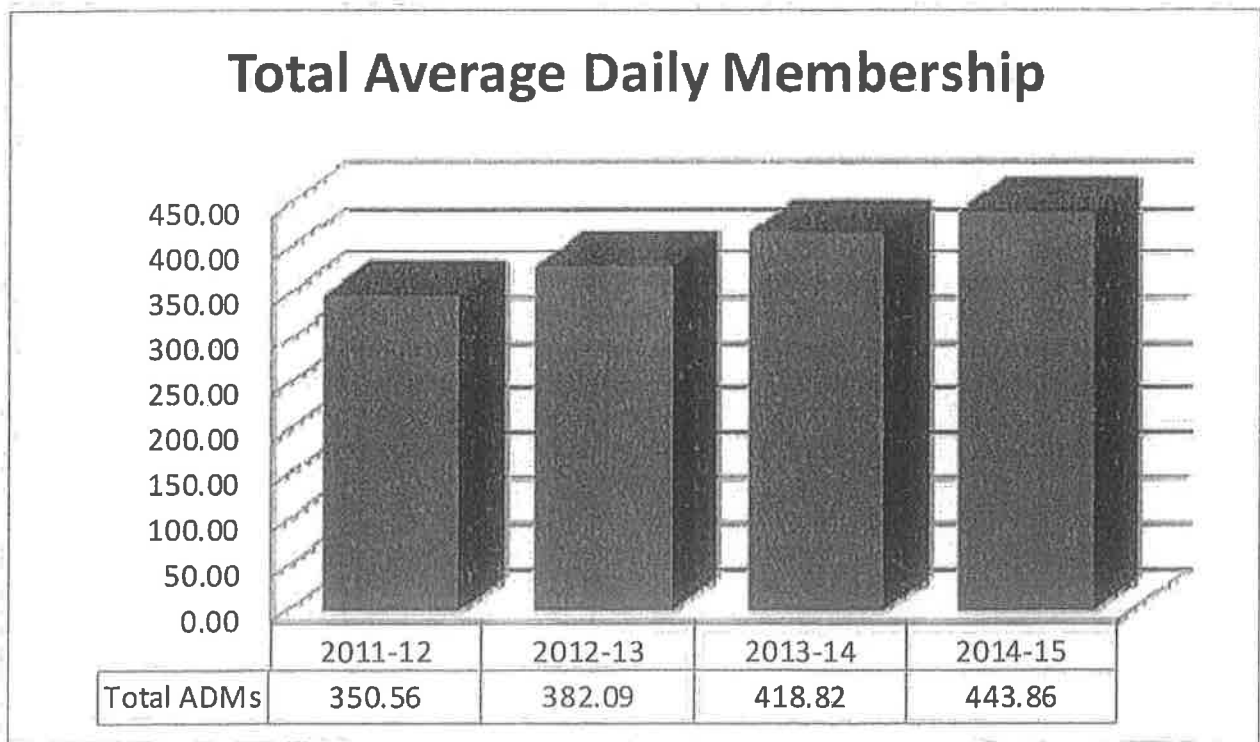
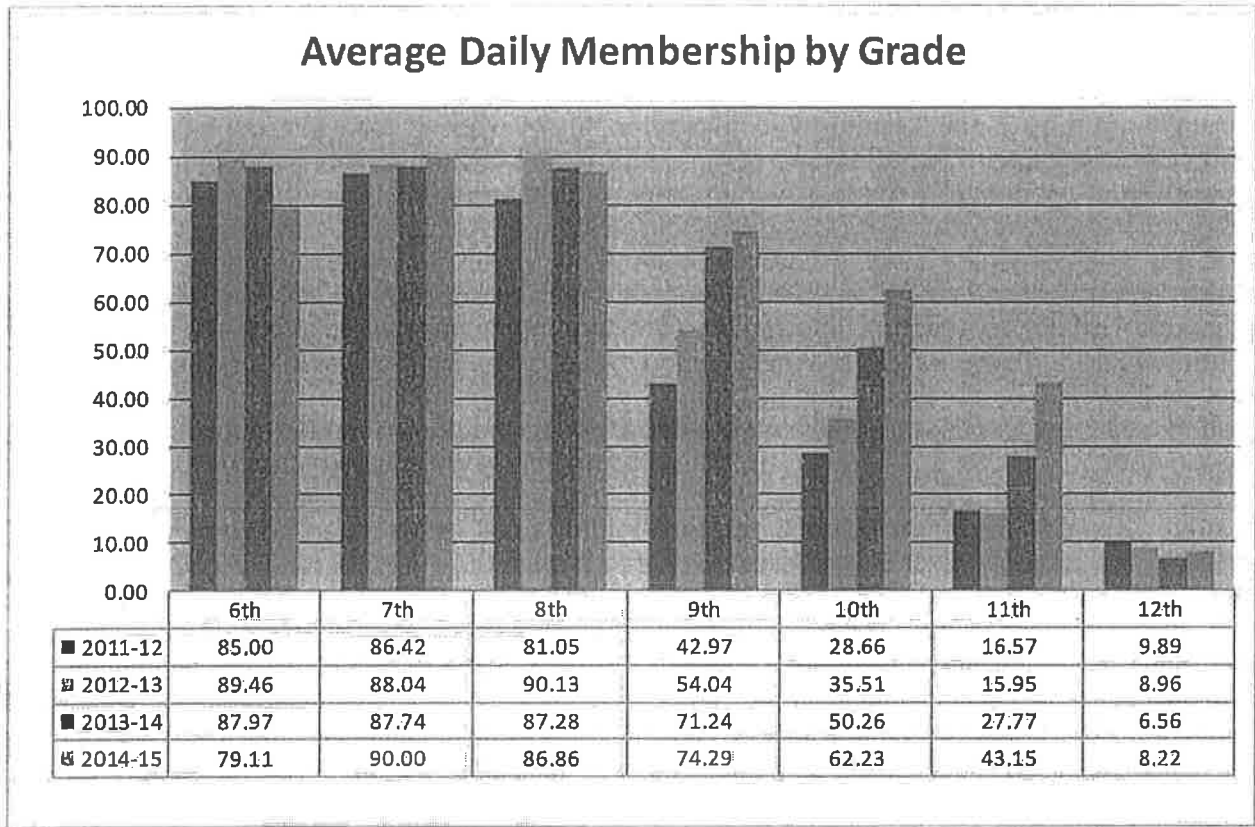
AUDIT FINDINGS AND RESULTS (CONTINUED)

MSA Building Company – The School's financial statements include the activity of the Building Company as a component unit. No separate financial statements are issued for the Building Company; however, a separate Form 990 is filed.

Building Company Debt Covenant Compliance – We want to take this opportunity to remind the Building Company Board that there are some general debt covenants that were agreed to as part of the Loan and Trust Agreements made between Math and Science Academy, the MSA Building Company, the City of Woodbury, and the U.S. Bank Trust National Association (as trustee). Some examples include the submission of audited financial statements within a certain timeframe, the submission of quarterly enrollment, current budget and financial information, and the submission of quarterly long-term budget model forecasting information. We are not aware of any non-compliance with such requirements through the date of our audit report, but it is important that the Board continue to monitor, review and accept responsibility for ensuring the ongoing compliance with all covenants that were agreed to as part of the financing arrangements related to the purchase of the building and subsequent improvements.

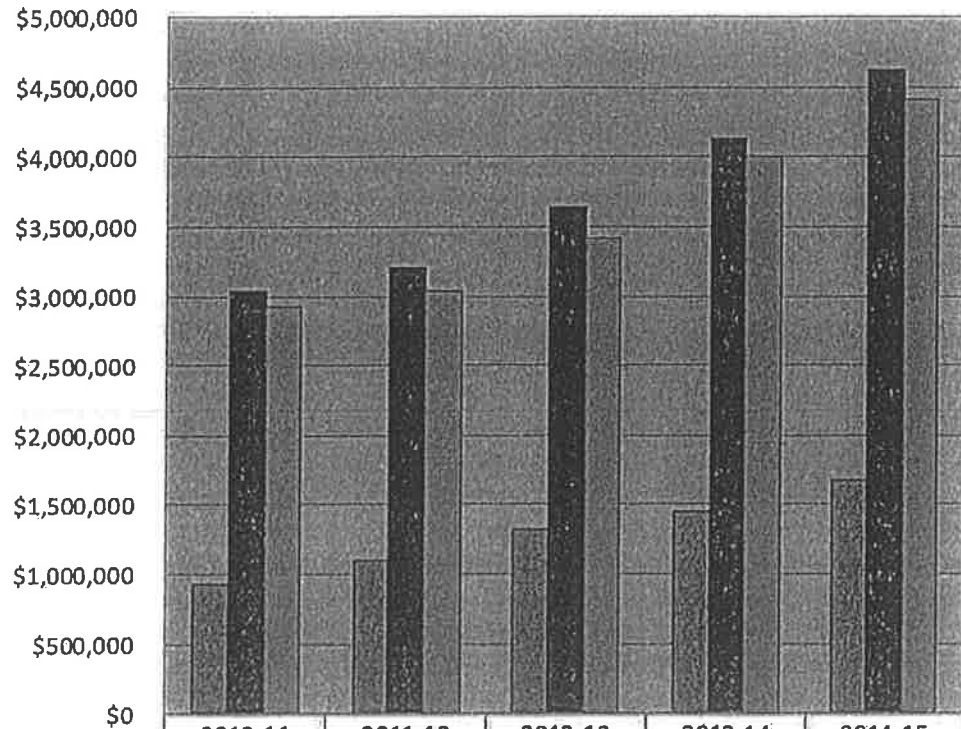
Executive Director Expense Reimbursement Procedures – We noted an expense reimbursement payment to the School's Executive Director that occurred in July of 2014 for \$157.02 that had not been properly approved by a member of the board. It appears that this was due to the payment occurring during the summer when the board chair was not available to approve the payment in a timely manner. We also noted that there were compensating controls in place related to the Executive Director's expense reimbursements including the review of the check register by the Treasurer via email before the checks are printed. Also, the monthly check registers are included in the board packets that are reviewed regularly by the Board. Finally, the office manager does a review of all receipts and the related purchase orders of the vendor payment request from as she prepares to send the School's contacted accountants the information to record and process, but there is no formal documentation of this review. Although these are excellent compensating controls that we encourage the School to continue to practice, they did not result in any documentation of a detailed review of the Executive Director's expense reimbursement. We recommend that the School reviews its expense reimbursement policies and procedures to ensure that all of the Executive Director's expense reimbursements are properly reviewed and approved by a non-employee member of the board.

FINANCIAL TRENDS



FINANCIAL TRENDS (CONTINUED)

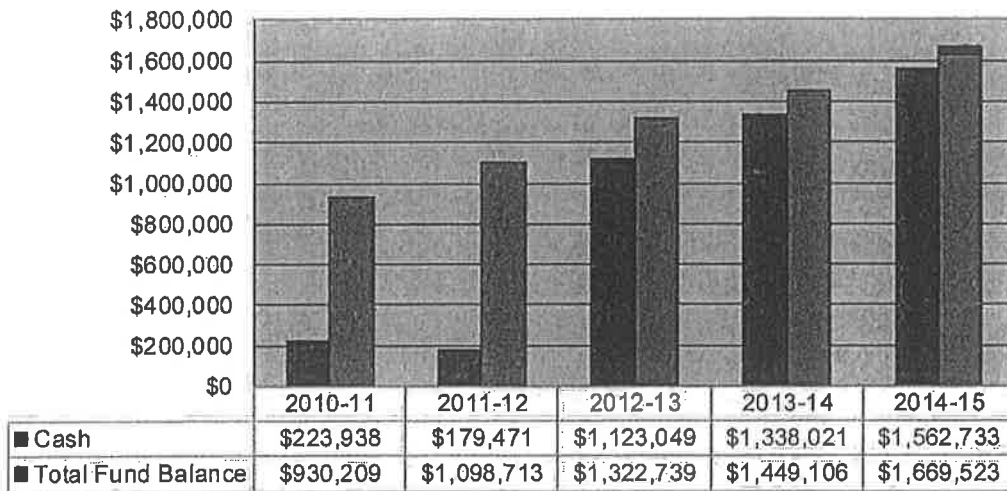
Revenue, Expenditures and Fund Balance - General Fund



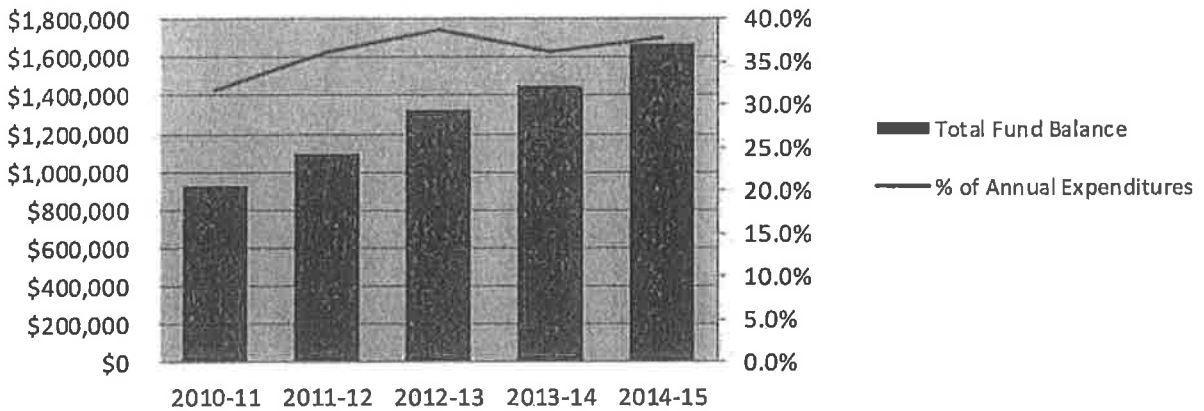
	2010-11	2011-12	2012-13	2013-14	2014-15
■ Total Fund Balance	\$930,209	\$1,098,713	\$1,322,739	\$1,449,106	\$1,669,523
■ Revenue	\$3,037,454	\$3,208,571	\$3,637,091	\$4,129,765	\$4,625,791
■ Expenditures	\$2,927,381	\$3,040,367	\$3,413,065	\$4,003,398	\$4,405,374

FINANCIAL TRENDS (CONTINUED)

General Fund Cash and Total Fund Balance



**Total Fund Balance
General Fund**



APPENDIX A

LEGISLATIVE ACTIVITY

What follows are some education-related highlights of recent legislative sessions as summarized from information made available by the Minnesota Department of Education, the Minnesota School Boards Association, the Office of the Legislative Auditor, the Minnesota Association of Charter Schools and the Minnesota House of Representatives.

Formula Increase

The General Education Revenue formula allowance was increased by 2% (by \$117 per pupil unit to \$5,948) for FY16 and by another 2% (by \$119 per pupil unit to \$6,067) for FY17 and later.

Extended Time Revenue

Effective for fiscal year 2016 the extended time revenue for school districts schools was increased by \$100 per pupil unit (from \$5,017 to \$5,117). Extended time revenue was also allowed for charter schools at 25% of the state average per adjusted pupil unit.

Alternative Teacher Pay System (QComp)

Effective for fiscal year 2017 the cap on alternative compensation was increased for those districts that currently have approved plans. The alternative teacher professional pay system is allowed to: (1) include a hiring bonus or other added compensation for effective or highly effective teachers who work in a hard-to-fill position or in a hard-to-staff school, (2) include incentives for teachers to obtain a master's degree in their content field of licensure or pursue additional licensure in a locally-identified teacher shortage area, or help fund a "grow your own" teacher initiative.

English Language Learners

The maximum number of years a student may receive state-funded English learner services was increased from six to seven years.

Pre-Kindergarten Programs

Charter schools are allowed to provide a fee based pre-K program. A charter school that provides a free pre-K program is allowed to give enrollment preference to students in its free pre-K program for enrollment in Kindergarten the following year. A charter school with at least 90% deaf and hard of hearing students is allowed to enroll pre-K students with a disability, if there is no cost impact of doing so.

Mergers between Charter Schools

A process for charter school mergers was provided in statute. The fund balances and debts of the schools involved in the merger are transferred to the new combined school at the beginning of the first fiscal year the merger takes effect. For the first year of operation, aid for programs requiring applications equals the sum of the aid of the merging schools. For aids based on prior year data, combined prior year data of the merged schools is used to calculate aid.

APPENDIX A – LEGISLATIVE ACTIVITY (CONTINUED)

Special Education for Charter Schools

The cash flow for charter schools with at least 90% of students receiving special education by was speeded up by:

- Increasing general education aid to cover the unreimbursed costs of serving students without disabilities.
- Increasing special education aid to cover the unreimbursed costs of serving students with disabilities.
- Paying the full 90% of estimated special education aid in the current year (rather than 90% of 97.4% of the estimated aid entitlement).
- Aid reduction to the resident district for special education tuition is calculated as if the school did not receive the added general and special education aid, and is retained by the state, since the school has its full cost covered by direct aid.
- Clarified that special education aid for a first year charter school is calculated using current year data.



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APPENDIX B

FORMAL REQUIRED COMMUNICATIONS

Board of Directors
Charter School No. 4043
Math and Science Academy
Woodbury, Minnesota

We have audited the financial statements of the governmental activities and each major fund of Math and Science Academy (the School) as of and for the year ended June 30, 2015, and have issued our report thereon dated September 1, 2015. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in Note 1 to the financial statements.

As described in Note 1, during the fiscal year ended June 30, 2015, the School changed accounting policies related to its accounting for pensions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Accordingly, this change in principle resulted in the restatement of beginning net position related to the recognition of the School's proportionate share of the Public Employees' Retirement Association of Minnesota General Employees' Retirement Fund's net pension liability as well as their portion of the Teacher's Retirement Association's Coordinated and Basic Plan net pension liability.

We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Qualitative aspects of accounting practices (continued)

Accounting estimates (continued)

The most sensitive estimates affecting the financial statements were:

- Due from Minnesota Department of Education
- Due from Federal through the Minnesota Department of Education
- Estimated useful lives of depreciable capital assets
- Estimated proportionate share of PERA and TRA's net pension liability

Management's estimate of the due from Minnesota Department of Education is based on amounts anticipated to be received from the state for various aid entitlements for fiscal 2014-15. The most significant of these is the aid portion of general education revenue. General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the School. Student attendance is accumulated in a statewide database – MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for fiscal year 2015 is not finalized until well into the next fiscal year. MDE calculates amounts owed to the School for special education excess cost tuition billing and adds the amount to the School's special education aid. Because the tuition amounts are based on estimated information, final entitlements are not expected to be known until well into the following fiscal year. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of due from Federal through the Minnesota Department of Education is based on amounts anticipated to be received through the state for various federal aid entitlements for fiscal 2014-15. Many federal entitlements require that supporting financial reporting information be provided both in the UFARS accounting system and also the SERVS reporting system. To the extent that these two separate systems are not in agreement and reported in a timely manner, the estimated aid entitlement may be adversely affected. Management expects any differences between estimated and actual data will be insignificant.

Management's estimate of the useful lives for depreciable assets is based on guidance recommended by the Minnesota Department of Education and other sources. The useful life of a depreciable asset determines the amount of depreciation that will be recorded in any given reporting period as well as the amount of accumulated depreciation that is reported at the end of a reporting period.

Management's estimate of the School's proportionate share of PERA and TRA's Net Pension Liability is based on guidance from GASB Statement No. 68 and GASB Statement No. 71 and each plan's respective allocation tables. Each plan's allocation tables allocate a portion of the plan's net pension liability based on the School's prior fiscal year contributions as a percentage of the total contributions received for the related year by the plan.

We reviewed and tested management's procedures and underlying supporting documentation in the areas discussed above and evaluated the key factors and assumptions used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole. We concluded that the accounting estimates and management judgments appeared to consider all significant factors and resulted in appropriate accounting recognition.

Qualitative aspects of accounting practices (continued)

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements, specifically the statement of net position:

- DR Deferral of Refunding Bond Costs \$67,136
- CR Net Investment in Capital Assets \$67,136

Disagreements with management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated September 1, 2015.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated September 1, 2015.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

This communication is intended solely for the information and use of the Board of Education and management of the School, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 1, 2015

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2015

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
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CHARTER SCHOOL NO. 4043
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INTRODUCTORY SECTION

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2015**

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRATION	BOARD POSITION
Tim Tydlacka	June 30, 2017	Board Chair
Alice Quammen	June 30, 2015	Vice Chair
Shannon Froberg	June 30, 2017	Treasurer
Heidi Bardwell	June 30, 2015	Secretary
Dan Keller	June 30, 2016	Teacher Member
Jessie Heydt	June 30, 2015	Teacher Member
Joe Burianek	June 30, 2016	Member
Mona Hayashi	June 30, 2016	Member
Deb Ledvina	June 30, 2017	Member
Bob Kreischer	-	Ex Officio
Judith Darling	-	Ex Officio

MSA BUILDING COMPANY

NAME	TERM ON BOARD EXPIRATION	BOARD POSITION
Bob Kreischer	June 30, 2015	President
Joell Pundsack	June 30, 2018	Secretary
Shannon Froberg	June 30, 2018	Member
Mona Hayashi	June 30, 2016	Member
Deb Ledvina	June 30, 2017	Member

ADMINISTRATION

Bob Kreischer

Administrator/Director

School Office:

Charter School No. 4043
Math and Science Academy
8430 Woodbury Crossing
Woodbury, MN 55125
(651) 578-7507

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
Math and Science Academy
Charter School No. 4043
Woodbury, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Math and Science Academy as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

Members of the Board of Directors
Math and Science Academy
Charter School No. 4043

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 each major fund of Math and Science Academy as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Prior Year Information

We have previously audited Math and Science Academy's 2014 financial statements of the governmental activities and each major fund, and we expressed an unmodified opinion on those audited financial statements in our report dated August 19, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of a Matter

During fiscal year ended June 30, 2015, Math and Science Academy adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. As a result of the implementation of these standards, Math and Science Academy reported a restatement for the change in accounting principle (see Note 1). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, TRA Schedule of the School's Proportionate Share of the Net Pension Liability, TRA Schedule of School Contributions, PERA Schedule of the School's Proportionate Share of the Net Pension Liability, and PERA Schedule of School Contributions 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 responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Math and Science Academy's basic financial statements. The individual fund statements and the accompanying Uniform Financial Accounting and Reporting Standards Compliance Table as listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Members of the Board of Directors
Math and Science Academy
Charter School No. 4043

Other Matters (Continued)

Supplementary Information (Continued)

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2015, on our consideration of Math and Science Academy'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 Math and Science Academy's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 1, 2015

REQUIRED SUPPLEMENTARY INFORMATION

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

This section of Math and Science Academy – Charter School No. 4043's annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the School's financial statements, which immediately follow this section. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-2015 fiscal years include the following:

- The fund balance of the General Fund increased \$220,417 from the prior year for an ending fund balance of \$1,669,523 at June 30, 2015.
- Total General Fund revenues and other financing sources were \$4,625,791 as compared to \$4,405,374 of expenditures.
- The fund balance of the Building Company increased \$34,754 from the prior year for an ending fund balance of \$1,006,918 at June 30, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *School-wide financial statements* that provide both *short-term* and *long-term* information about the School's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School, reporting the School's operations in *more detail* than the School-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education 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.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

School-Wide Statements

The School-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the School's assets, deferred outflows of resources, deferred inflows of resources, and liabilities. 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 School-wide statements report the School's *net position* and how they have changed. Net position – the difference between the School's assets, deferred outflows of resources, deferred inflows of resources, and liabilities – is one way to measure the School's financial health or *position*.

- Over time, increases or decreases in the School's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the School you need to consider additional non-financial factors such as changes in the School's creditworthiness and the condition of school buildings and other facilities.

In the School-wide financial statements the School's activities are shown in one category:

- *Governmental Activities* – Most of the School's basic services are included here, such as regular and special education and administration. State aids finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's *funds* – focusing on its most significant or "major" funds – not the School as a whole. Funds are accounting devices the School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The School may establish other funds to control and manage money for a blended component unit such as the Math and Science Academy Building Company.

The School has the following fund type:

- *Governmental Funds* – Most of the School's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds 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 School's programs. Because this information does not encompass the additional long-term focus of the School-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationship (or differences) between them.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The School's *combined* net position was a deficit of \$64,639 on June 30, 2015 (see Table A-1).

**Table A-1
The School's Net Position**

	Governmental Activities as of June 30,		Percentage Change
	2015	2014	
Current and Other Assets	\$ 3,064,948	\$ 2,691,434	13.88 %
Capital and Non-Current Assets	8,985,441	9,014,643	(0.32)
Total Assets	12,050,389	11,706,077	2.94
Deferred Outflows	591,971	-	-
Current Liabilities	606,912	487,992	24.37
Long-Term Liabilities	11,564,366	10,012,631	15.50
Total Liabilities	12,171,278	10,500,623	15.91
Deferred Inflows	535,721	-	-
Net Position:			
Net Investment in Capital Assets	(647,822)	(790,730)	(18.07)
Restricted	589,145	547,078	N/A
Unrestricted	(5,962)	1,449,106	(100.41)
Total Net Position	\$ (64,639)	\$ 1,205,454	(105.36)

The School's net position decreased by \$1,270,093, primarily as a result of the required implementation of GASB Statement No. 68.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

Changes in Net Position

The School's total entity-wide revenues were \$4,631,011 for the year ended June 30, 2015 (see Table A-2). State formula aid accounted for 69% of total revenue for the year. The remaining 31% came from other general and program revenues.

**Table A-2
Change in Net Position**

	Governmental Activities for the Fiscal Year Ended June 30,		Total % Change
	2015	2014	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 165,542	\$ 156,015	6.11 %
Operating Grants and Contributions	1,158,452	1,003,274	15.47
<u>General Revenues</u>			
Unrestricted State Aid	3,227,146	2,868,563	12.50
Investment Earnings	781	832	(6.13)
Other	79,090	101,305	(21.93)
Total Revenues	<u>4,631,011</u>	<u>4,129,989</u>	12.13
Expenses			
Administration	147,638	138,988	6.22
District Support Services	322,076	321,255	0.26
Regular Instruction	2,111,882	1,994,465	5.89
Special Education Instruction	490,750	373,949	31.23
Instructional Support Services	169,334	71,703	136.16
Pupil Support Services	16,662	20,347	(18.11)
Sites and Buildings	471,368	435,558	8.22
Fiscal and Other Fixed Cost Programs	53,955	51,181	5.42
Interest and Fiscal Charges on Long-Term Liabilities	455,692	460,964	(1.14)
Total Expenses	<u>4,239,357</u>	<u>3,868,410</u>	9.59
Change in Net Position	391,654	261,579	
Beginning Net Position	1,205,454	943,875	
Prior Period Adjustment - Implementation of GASB Standard - See Note 10	(1,661,747)	-	
Net Position - Beginning, as Restated	<u>(456,293)</u>	<u>943,875</u>	
Ending Net Position	<u>\$ (64,639)</u>	<u>\$ 1,205,454</u>	

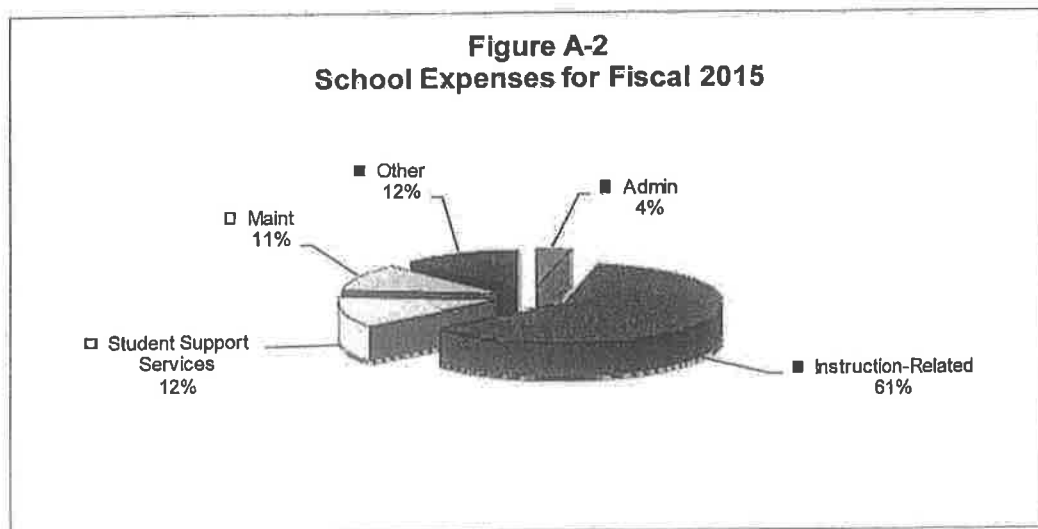
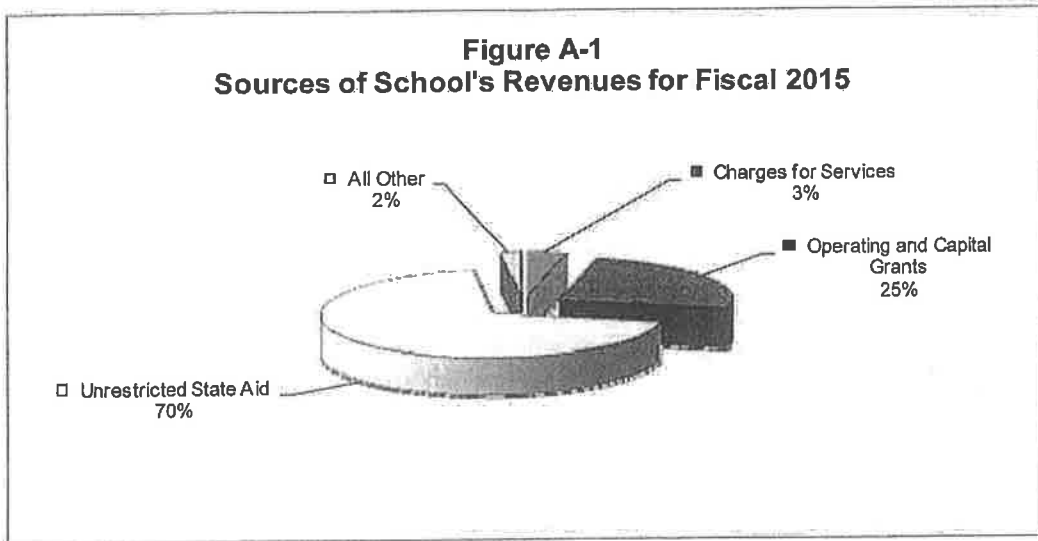
The total cost of all programs and services was \$4,239,357. Total revenues exceeded expenditures increasing the net position by \$390,469. However, ending net position decreased from prior year by \$1,270,093 primarily due to a prior period adjustment relating to the implementation of a new GASB standard.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

The increase in revenues over the prior year is primarily due to the increase in enrollment of 25 students while the increase in expenditures is the result of additional staffing needed in order to support the increased enrollment.

The cost of all *governmental* activities this year was \$4,239,357.

- Some of the cost was paid by the users of the School's programs (\$165,542).
- The federal government and private grant funds subsidized certain programs with grants and contributions (\$1,158,452).
- Most of the School's costs were paid for by unrestricted state aid (\$3,227,146).



**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

All governmental funds include not only funds received for the general operation of the School which are used for classroom instruction, but also include resources from the Building Company. Funding for the general operation of the School is controlled by the state.

**Table A-3
Program Expenses and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2015	2014		2015	2014	
Administration	\$ 147,638	\$ 138,988	6.22 %	\$ 147,638	\$ 138,988	6.22 %
District Support Services	322,076	321,255	0.26	322,076	321,255	0.26
Regular Instruction	2,111,882	1,994,465	5.89	1,946,340	1,838,450	5.87
Special Education Instruction	490,750	373,949	31.23	10,518	2,759	281.23
Instructional Support Services	169,334	71,703	136.16	169,334	71,703	136.16
Pupil Support Services	16,662	20,347	(18.11)	16,662	20,347	(18.11)
Sites and Buildings	471,368	435,558	8.22	248,840	264,438	(5.90)
Fiscal and Other Fixed Cost Programs	53,955	51,181	5.42	53,955	51,181	5.42
Interest and Fiscal Charges on Long-Term Liabilities	455,692	460,964	(1.14)	-	-	N/A
Total	\$ 4,239,357	\$ 3,868,410	9.59	\$ 2,915,363	\$ 2,709,121	7.61

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The financial performance of the School as a whole is reflected in its governmental funds. Revenues and other financing sources for the School's governmental funds were \$5,373,828 while total expenditures and other financing uses were \$5,118,657. This contributed to a *combined* fund balance of \$2,676,441 which is \$255,171 higher than last year's ending fund balance of \$2,421,270.

GENERAL FUND

The General Fund includes the primary operations of the School in providing educational services to students from grade 6 through grade 12 including activities and capital outlay projects.

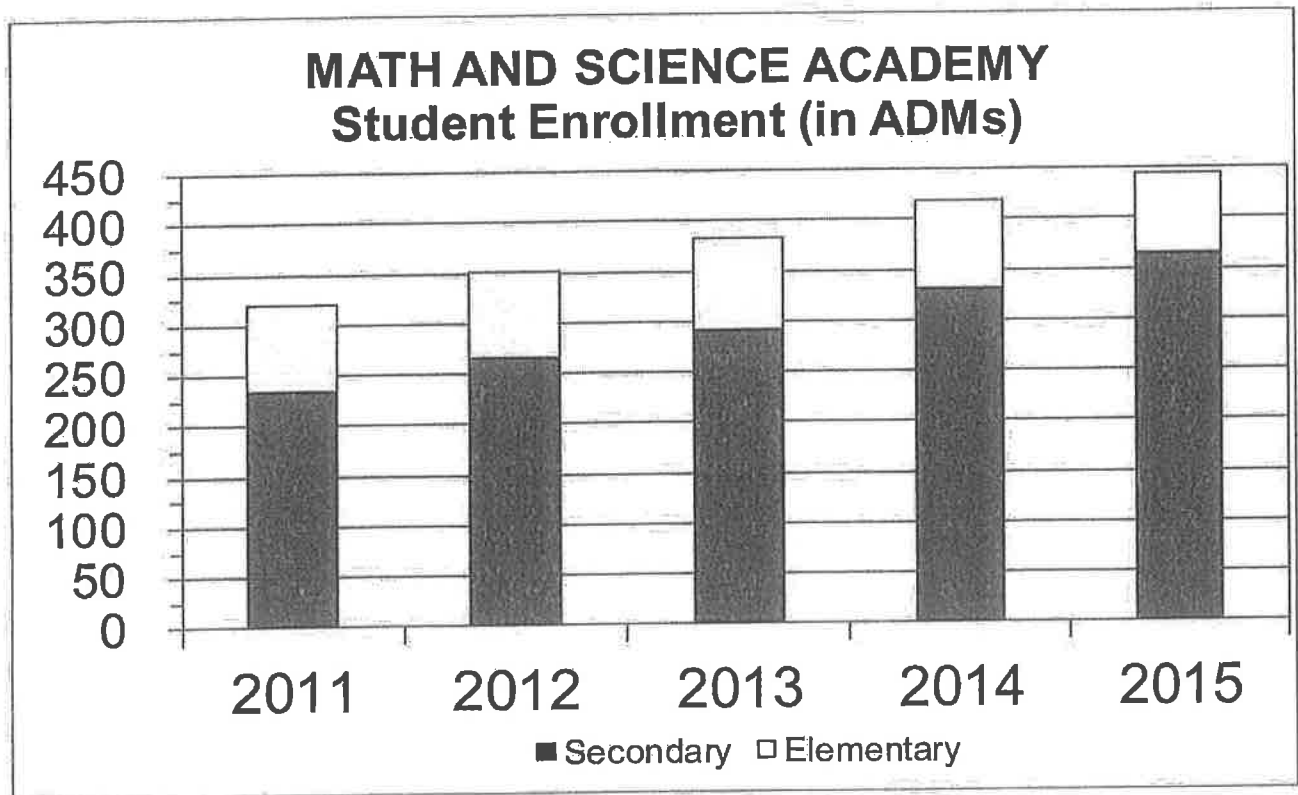
A large percentage of General Fund operational revenue is controlled by a complex set of state funding formulas resulting in the local school board having no meaningful authority to determine the level of resources.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

ENROLLMENT

Enrollment is a critical factor in determining revenue with a very high percentage of General Fund revenue being determined by enrollment. The following chart shows that the number of students has increased continuously over the last five years.

**Table A-4
Five-Year Enrollment Trend
Average Daily Membership (ADM)**



Since opening in 1999, the School has experienced excellent stability in average daily membership. The average enrollment during 2014-2015 was 444 students which was an increase of approximately 25 students over the prior year.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

Fund	Year Ended		Change	
	June 30, 2015	June 30, 2014	Increase (Decrease)	Percent
Local Sources:				
Earnings on Investments	\$ 714	\$ 608	\$ 106	17.4 %
Other	244,182	241,735	2,447	1.0
State Sources	4,284,723	3,821,202	463,521	12.1
Federal Sources	96,172	50,635	45,537	89.9
Total General Fund Revenue	<u>\$ 4,625,791</u>	<u>\$ 4,114,180</u>	<u>\$ 511,611</u>	12.4

Basic general education revenue is determined by multiple complex state formulas, largely enrollment driven, and consists of a specified minimum amount with variables such as socioeconomic indicators driving additional funding. For Minnesota charter schools the majority of all funding is made up of general education aid, special education aid and charter school lease aid. Other revenue consists of federal and private grant funding that is often expenditure driven.

Total General Fund Revenue increased by \$511,611 from the previous year. State revenue increased approximately \$463.5K with most of the increase attributable to the increase in enrollment, lease aid, and state special education revenue. Federal revenue increased approximately \$45.5K due to the expending of prior year's allocation.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2015	June 30, 2014		
Salaries	\$ 1,882,599	\$ 1,748,192	\$ 134,407	7.7 %
Employee Benefits	674,000	611,763	62,237	10.2
Purchased Services	1,342,612	1,238,102	104,510	8.4
Supplies and Materials	315,355	227,085	88,270	38.9
Capital Expenditures	162,379	150,572	11,807	7.8
Other Expenditures	28,429	27,684	745	2.7
Total Expenditures	<u>\$ 4,405,374</u>	<u>\$ 4,003,398</u>	<u>\$ 401,976</u>	

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

Total General Fund expenditures increased \$401,976 from the previous year. As expected there were increases across the board due to the increase in the number of students. The largest percent increase is seen in the areas of Supplies and Materials which is due to various curriculums purchased (Psychology, Spanish, Math) as well as can be attributed to the way a student activity adjustment was recorded in 2013-2014.

Unassigned fund balance is the single best measure of overall financial health. The unassigned fund balance was \$1,574,787 at June 30, 2015. The total fund balance (which includes \$53,256 of prepaid items, \$37,499 related to student activities, and \$3,981 related to technology equipment) of \$1,669,523 represents 37.9% of annual expenditures.

General Fund Budgetary Highlights

The budget is approved prior to the beginning of the fiscal year. The School then may revise the annual operating budget in the fall and then again mid-year. These budget amendments fall into two main categories:

- Implementing budgets for specially funded projects, which include both federal and state grants and reinstating unexpended funds being carried over from the prior fiscal year.
- Legislation passes subsequent to budget adoption, changes necessitated by employment agreements, and increases in appropriations for significant unbudgeted costs.

Actual revenues were higher than budgeted with a variance of \$358,148 or 8.4%. This included revenues from State sources which were \$195K higher than budgeted due to additional General Education revenue, Teacher Development and Evaluation Revenue and State Special Education revenue. The Special Education revenue is offset with special educational expenses.

Another area where revenues were more than budgeted was in "Other" revenues. This is due to Student Activity Revenue of approximately \$117K being recorded at year end. An offsetting expense was also recorded.

Actual expenditures were higher than budgeted with a variance of \$196K or 4.7%. While actual general classroom salaries and benefits were less than budgeted, special education salaries and benefits ran higher than budgeted. Supplies and Materials were over budget by approximately \$118K due to the recording of the student activities. The Capital Equipment category is over budget due to various furniture purchased and building improvements made during the year.

The differences between budget and actual revenues and expenditures resulted in a surplus for the 2014-2015 fiscal year of \$220,417 which was \$161,791 higher than budgeted.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

OTHER MAJOR FUNDS

Revenues and other financing sources exceeded expenditures and other financing uses in the Building Company Fund by \$34,754. This is primarily due to the amount that was received for lease payments exceeding the required debt service payments, capital outlay expenditures, and fiscal agent and other expenditures that were required and incurred during the fiscal year.

In fiscal year 2013, the MSA Building Company issued \$9,950,000 of bonds (Series 2012A and Series 2012B). The proceeds from the sale of the bonds were used for three purposes as follows: to finance the costs of acquiring, constructing and equipping of a second site; to improve the current facility; and to refund the 2002 Series bonds. The new building is a three story, 30,400 square foot building and consists of a gymnasium and ten classrooms.

From the standpoint of maintaining current operating expenditures within the range of annual revenue and maintaining a sound fund balance, the Building Company Fund continues to operate on a sound financial basis.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of the 2014-2015 fiscal year, the School and related building company had invested \$10,716,102, in a broad range of capital assets, including the school building, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 5 to the financial statements.) Total depreciation expense for the year was \$232,719.

**Table A-7
The School's Capital Assets**

	<u>2015</u>	<u>2014</u>	<u>Percentage Change</u>
Math and Science Academy			
Equipment	\$ 436,038	\$ 374,813	16.3 %
Construction in Progress	4,627	-	-
Land Improvements	90,977	10,866	7.4
MSA Building Company			
Land	990,625	990,625	-
Buildings and Improvements	9,106,846	9,056,412	0.6
Equipment	86,989	86,989	-
Less: Accumulated Depreciation	(1,730,661)	(1,505,062)	15.0
Total	<u>\$ 8,985,441</u>	<u>\$ 9,014,643</u>	(0.3)

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2015**

Long-Term Liabilities

At year-end, the School had a net amount of \$11,744,366 in long-term debt outstanding.

**Table A-8
The School's Long-Term Liabilities**

	2015	2014	Percentage Change
General Obligation Bonds	\$ 9,765,000	\$ 9,935,000	(1.71)%
Net Bond Premium	247,631	256,345	(3.40)
Retirement Benefits Payable	1,731,735		N/A
Total	<u>\$ 11,744,366</u>	<u>\$ 10,191,345</u>	15.24
Long-Term Liabilities:			
Due Within One Year	\$ 180,000	\$ 178,714	
Due in More than One Year	11,564,366	10,012,631	
	<u>\$ 11,744,366</u>	<u>\$ 10,191,345</u>	

FACTORS BEARING ON THE SCHOOL'S FUTURE

The School is dependent on the State of Minnesota for its revenue authority. The 2015 Legislative session ended with schools receiving a 2% increase to the general education formula for both FY 2016 and FY 2017. The holdback will continue at its current level of 10%.

The School will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our constituents, state oversight agencies, lenders, customers, legislative leaders and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Math and Science Academy No. 4043, 8430 Woodbury Crossing, Woodbury, Minnesota, 55125.

BASIC FINANCIAL STATEMENTS

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
STATEMENT OF NET POSITION
JUNE 30, 2015**

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)

	Governmental Activities	
	2015	2014
ASSETS		
Cash and Investments	\$ 1,567,352	\$ 1,342,668
Cash and Investments Held by Trustee	1,002,173	1,000,204
Receivables:		
Other Governments	438,901	283,173
Other	866	1,907
Prepaid Items	55,656	63,482
Capital Assets:		
Land and Construction in Progress	995,252	990,625
Other Capital Assets, Net of Depreciation	7,990,189	8,024,018
Total Assets	12,050,389	11,706,077
DEFERRED OUTFLOWS OF RESOURCES		
Pension Deferred Outflows - See Note 8	591,971	-
LIABILITIES		
Salaries Payable	250,754	211,248
Accounts and Contracts Payable	137,753	58,916
Accrued Interest Payable	38,405	39,114
Long-Term Liabilities:		
Portion Due Within One Year	180,000	178,714
Portion Due in More Than One Year	11,564,366	10,012,631
Total Liabilities	12,171,278	10,500,623
DEFERRED INFLOWS OF RESOURCES		
Pension Deferred Inflows - See Note 8	535,721	-
NET POSITION		
Net Investment in Capital Assets	(647,822)	(790,730)
Restricted for:		
Building Company Debt Service	589,145	547,078
Unrestricted	(5,962)	1,449,106
Total Net Position	\$ (64,639)	\$ 1,205,454

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	Major Funds		Total Governmental Funds	
	General	Building Company	2015	2014
ASSETS				
Cash and Investments	\$ 1,562,733	\$ 4,619	\$ 1,567,352	\$ 1,342,668
Cash and Investments Held by Trustee	-	1,002,173	1,002,173	1,000,204
Receivables:				
Due from Minnesota Department of Education	430,514	-	430,514	276,937
Due from Federal through Minnesota Department of Education	8,387	-	8,387	6,236
Other Receivables	416	450	866	1,907
Due from Other Fund	2,400	-	2,400	2,304
Prepaid Items	53,256	2,400	55,656	63,482
Total Assets	\$ 2,057,706	\$ 1,009,642	\$ 3,067,348	\$ 2,693,738
LIABILITIES AND FUND BALANCE				
Liabilities:				
Salaries Payable	\$ 181,869	-	\$ 181,869	\$ 155,177
Payroll Deductions and Employer Contributions Payable	68,885	-	68,885	56,071
Accounts and Contracts Payable	137,429	324	137,753	58,916
Due to Other Fund	-	2,400	2,400	2,304
Total Liabilities	388,183	2,724	390,907	272,468
Fund Balance:				
Nonspendable:				
Prepaid Items	53,256	2,400	55,656	63,482
Restricted:				
Building Company	-	1,004,518	1,004,518	969,035
Assigned:				
Technology Equipment	3,981	-	3,981	-
Student Groups	37,499	-	37,499	42,308
Unassigned	1,574,787	-	1,574,787	1,346,445
Total Fund Balance	1,669,523	1,006,918	2,676,441	2,421,270
Total Liabilities and Fund Balance	\$ 2,057,706	\$ 1,009,642	\$ 3,067,348	\$ 2,693,738

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	2015	2014
Total Fund Balance for Governmental Funds	\$ 2,676,441	\$ 2,421,270
 Total net position reported for governmental activities in the statement of net position is different because:		
 Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	990,625	990,625
Construction in Progress	4,627	-
Land Improvements, Net of Accumulated Depreciation	88,930	10,323
Buildings and Improvements, Net of Accumulated Depreciation	7,676,793	7,816,811
Equipment, Net of Accumulated Depreciation	224,466	196,884
 Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(38,405)	(39,114)
 The School's Net Pension Liability and related deferred inflows and outflows are recorded only on the Statement of Net Position. Balances at year-end are:		
Net Pension Liability	(1,731,735)	-
Deferred Inflows of Resources - Pensions	(535,721)	-
Deferred Outflows of Resources - Pensions	591,971	-
 Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term are reported in the statement of net position. Balances at year-end are:		
Bonds Payable	(9,765,000)	(9,935,000)
Unamortized Premiums	(247,631)	(256,345)
Total Net Position of Governmental Activities	\$ (64,639)	\$ 1,205,454

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	Major Funds		Total Governmental Funds	
	General	Building Company	2015	2014
REVENUES				
Local Sources:				
Earnings on Investments	\$ 714	\$ 67	\$ 781	\$ 832
Other	244,182	747,970	992,152	925,053
State Sources	4,284,723	-	4,284,723	3,821,202
Federal Sources	96,172	-	96,172	50,635
Total Revenues	<u>4,625,791</u>	<u>748,037</u>	<u>5,373,828</u>	<u>4,797,722</u>
EXPENDITURES				
Current:				
Administration	146,777	-	146,777	138,988
District Support Services	317,551	-	317,551	318,582
Regular Instruction	2,108,109	-	2,108,109	1,983,176
Special Education Instruction	487,033	-	487,033	372,858
Instructional Support Services	143,393	-	143,393	62,489
Pupil Support Services	16,662	-	16,662	20,347
Sites and Buildings	996,799	-	996,799	937,675
Fiscal and Other Fixed Cost Programs	26,671	27,284	53,955	51,181
Capital Outlay	162,379	50,884	213,263	2,477,236
Debt Service:				
Principal	-	170,000	170,000	15,000
Interest and Fiscal Charges	-	465,115	465,115	469,740
Total Expenditures	<u>4,405,374</u>	<u>713,283</u>	<u>5,118,657</u>	<u>6,847,272</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	220,417	34,754	255,171	(2,049,550)
OTHER FINANCING SOURCES				
Insurance Recovery Proceeds	-	-	-	15,585
Net Change in Fund Balances	220,417	34,754	255,171	(2,033,965)
Fund Balances - Beginning	1,449,106	972,164	2,421,270	4,455,235
Fund Balances - Ending	<u>\$ 1,669,523</u>	<u>\$ 1,006,918</u>	<u>\$ 2,676,441</u>	<u>\$ 2,421,270</u>

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
 CHARTER SCHOOL NO. 4043
 RECONCILIATION OF THE STATEMENT OF
 REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2015
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015	2014
Net Change in Fund Balance-Total Governmental Funds	\$ 255,171	\$ (2,033,965)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Capital Outlays	203,517	2,464,830
Depreciation Expense	(232,719)	(193,062)
<p>Pension expenses on the governmental funds are measured by current year employee contributions. Pension expenditures on the Statement of Activities are measured by the change in Net Pension Liability and the related deferred inflows and outflows of resources.</p>		
	(13,738)	-
<p>The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of long-term bonds and related items is as follows:</p>		
Repayment of Bond Principal	170,000	15,000
Change in Accrued Interest Payable	709	62
Amortization of Bond Premium	8,714	8,714
Change in Net Position of Governmental Activities	\$ 391,654	\$ 261,579

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Earnings on Investments	\$ 660	\$ 660	\$ 714	\$ 54
Other	112,265	112,265	244,182	131,917
State Sources	4,089,618	4,089,618	4,284,723	195,105
Federal Sources	65,100	65,100	96,172	31,072
Total Revenues	<u>4,267,643</u>	<u>4,267,643</u>	<u>4,625,791</u>	<u>358,148</u>
EXPENDITURES				
Current:				
Administration	146,787	146,787	146,777	(10)
District Support Services	339,473	339,473	317,551	(21,922)
Elementary and Secondary Regular Instruction	2,074,270	2,074,270	2,108,109	33,839
Special Education Instruction	348,676	348,676	487,033	138,357
Instructional Support Services	161,788	161,788	143,393	(18,395)
Pupil Support Services	32,153	32,153	16,662	(15,491)
Sites and Buildings	974,470	974,470	996,799	22,329
Fiscal and Other Fixed Cost Programs	24,100	24,100	26,671	2,571
Capital Outlay	106,300	106,300	162,379	56,079
Debt Service:				
Interest and Fiscal Charges	1,000	1,000	-	(1,000)
Total Expenditures	<u>4,209,017</u>	<u>4,209,017</u>	<u>4,405,374</u>	<u>196,357</u>
Excess of Revenues Over Expenditures	<u>\$ 58,626</u>	<u>\$ 58,626</u>	220,417	<u>\$ 161,791</u>
FUND BALANCE				
Beginning of Year			<u>1,449,106</u>	
End of Year			<u>\$ 1,669,523</u>	

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Charter School No. 4043 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Financial Reporting Entity

Charter School No. 4043, also known as Math and Science Academy (the School), is a nonprofit corporation that was formed on June 26, 1998, in accordance with Minnesota Statutes. The School is sponsored by Student Achievement Minnesota, LLC and is operating under a contract extending through June 30, 2019. The primary objectives of the School are to provide intense math and science experiences to middle and secondary students which is balanced with a strong humanities and art program. The focus of the program is to provide a hands-on, interdisciplinary and in-depth approach that demonstrates to students that more math and science concepts can be retained and understood than traditionally accepted. The governing body consists of a board of directors composed of up to nine members elected by voters of the general membership of the School (consisting of all staff members and parents of students enrolled in the School) to serve two-year staggered terms.

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

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

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Financial Reporting Entity (Continued)

Based on these criteria, there is one organization that is considered to be a component unit of the School. MSA Building Company (the Building Company) is a Minnesota non-profit corporation holding IRS classification as a 501(c)(3) tax exempt organization which owns the real estate and building that is leased by the School for its operations. The Building Company is governed by a separate board appointed by the Board of the School. Although it is legally separate from the School, the Building Company is reported as if it were part of the School (as a blended component unit) because its sole purpose is to acquire, construct and own an educational site which is leased to the School. No separate financial statements of the Building Company are issued. The building is leased to Math and Science Academy under the terms of a long-term agreement. All long-term debt related to the purchase of the building and property and all capital assets related to the school site are the responsibility of and are under the ownership of MSA Building Company.

Aside from its sponsorship, Student Achievement Minnesota, LLC has no authority, control, power, or administrative responsibilities over Math and Science Academy. Therefore, the School is not considered a component unit of Student Achievement Minnesota, LLC.

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

C. Change in Accounting Principle

During fiscal year ended June 30, 2015, Math and Science Academy adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. They also improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities. See Note 10 for more detail of the effect of this change in accounting principle on the financial statements.

D. Basic Financial Statement Presentation

The School-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 School.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basic Financial Statement Presentation (Continued)

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

The School applies restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position is available. Depreciation expense that can be specifically identified by function is included in the direct expenses 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 School-wide financial statements.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

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

1. Revenue Recognition

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State revenue is recognized in the year to which it applies according to Minnesota Statutes and GAAP. Minnesota Statutes include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates.

Description of Funds

As required by state statute, the School operates as a nonprofit corporation under Minnesota Statutes §317A. However, state law also requires that the School comply with Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS) which mandates the use of a governmental fund accounting structure. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. A description of the funds included in this report are as follows:

Major Governmental Funds

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 the general operations and pupil transportation activities of the School, as well as the capital related activities such as maintenance of facilities and equipment purchases.

Building Company Special Revenue Fund

Accounts for all activities of MSA Building Company. This includes accounting for the proceeds and uses of resources borrowed for the purpose of purchasing and building the school site, the receipt of lease payments from Math and Science Academy, as well as the debt service payments required under the terms of the related long-term mortgage loans.

Income Taxes

The School is classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and comparable sections of the Minnesota income tax statutes.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General Fund. A budget is not adopted for the Special Revenue Fund. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Administrative Director submits to the School 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 School Board action. Revisions to budgeted amounts must be approved by the School Board.

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

Budgeted amounts are as originally adopted since there were no mid-year changes made during the fiscal year.

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota schools which excludes certain restricted balances specified in Minnesota Statutes, exceeding 2.5% of expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

G. Cash and Investments

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations.

H. Accounts Receivable

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the School. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Prepaid Items

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 expense or expenditure at the time of consumption.

J. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School maintains a threshold level of \$2,000 or more for capitalizing capital assets. 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 School-wide financial statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the School, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

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

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

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

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

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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.

M. Accrued Employee Benefits

Unpaid Sick and Personal Leave

Unpaid sick and personal leave has not been accrued in any funds as these benefits do not vest to employees.

N. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets in these financial statements are labeled "Cash and Investments Held by Trustee".

O. Fund Balance

In the fund financial statements, governmental funds report nonspendable portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances are established and modified by a resolution approved by the School Board. Assigned funds are funds that are neither restricted nor committed. Unassigned fund balances are considered the remaining amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the default spending priority per GASB Statement No. 54 is to use committed, assigned, then unassigned fund balance.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; workers' compensation and natural disasters. The School purchases commercial insurance coverage for such risks.

There has been no significant reduction in insurance coverage from the previous year in any of the School's policies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Q. Net Position

Net position represents the difference between assets and liabilities in the School-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulation 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 School-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

R. Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

NOTE 2 STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Budget and Fund Balance Deficits

Expenditures exceeded budgeted amounts in the following funds at June 30, 2015.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	<u>\$ 4,209,017</u>	<u>\$ 4,405,374</u>	<u>\$ 196,357</u>

The overages were considered by School management to be the result of necessary expenditures critical to operations and were approved by the Board.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 DEPOSITS AND INVESTMENTS

A. Deposits

The School maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "Cash and Investments." In accordance with applicable Minnesota Statutes, the School maintains deposits at depository banks authorized by the School's Board.

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

Minnesota Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

The School's carrying and bank balances of deposits at June 30, 2015 were \$1,562,733 and \$1,664,176, respectively. The carrying and bank balances of the Building Company's deposits at June 30, 2015 were \$61,899 and \$4,619, respectively. All deposits were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

B. Investments

The School may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received 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 13 months or less
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rate "A" or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements 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

At June 30, 2015, the Building Company's investment balances were as follows:

Cash Investments Held by Trustee

	<u>Percentage of Total Investments</u>	<u>Maturity Date</u>	<u>Fair Value</u>
First American Treasury Obligations			
Money Market Fund - Class D	100.0%	-	<u>\$ 944,893</u>

These investments are held by an escrow agent in accordance with escrow agreements established with the sale of the Lease Revenue Bonds Mortgage Loan Series 2012. The interest rates on these investments range from 0% to 4.5%. The money market fund investment is invested in the First American Treasury Obligations Fund which is rated Aaa by Moody's Investors Service.

Interest Rate Risk and Credit Risk

The School does not have a formal investment policy to address these risks.

Concentration of Credit Risk

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

The deposits and investments are presented in the financial statements as follows:

Cash and Investments - Statement of Net Position	\$ 1,567,352
Cash and Investments Held by Trustee - Statement of Net Position	1,002,173
Total Cash and Investments	<u>\$ 2,569,525</u>

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 INTERFUND BALANCES

At June 30, 2015, the following were the interfund balances:

	Due from Other Fund	Due to Other Fund
General Fund	\$ 2,400	\$ -
Building Company	-	2,400
Total	\$ 2,400	\$ 2,400

During the year, the General Fund made expenditures on the Building Company's behalf. The interfund balances are a result of a timing difference between when these expenditures incurred by the General Fund are reimbursed by the Building Company. Also, the Building Company had a receivable from the General Fund for part of the June 2015 lease payment.

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Math and Science Academy				
Construction in Progress	\$ -	\$ 4,627	\$ -	\$ 4,627
MSA Building Company				
Land	990,625	-	-	990,625
Total Capital Assets, Not Being Depreciated	990,625	4,627	-	995,252
Capital Assets, Being Depreciated:				
Math and Science Academy				
Leasehold Improvements	10,866	80,111	-	90,977
Equipment	374,813	68,345	(7,120)	436,038
MSA Building Company				
Buildings and Improvements	9,056,412	50,434	-	9,106,846
Equipment	86,989	-	-	86,989
Total Capital Assets, Being Depreciated	9,529,080	198,890	(7,120)	9,720,850
Accumulated Depreciation for:				
Math and Science Academy				
Land Improvements	(543)	(1,504)	-	(2,047)
Equipment	(210,714)	(35,969)	7,120	(239,563)
MSA Building Company				
Buildings and Improvements	(1,239,601)	(190,452)	-	(1,430,053)
Equipment	(54,204)	(4,794)	-	(58,998)
Total Accumulated Depreciation	(1,505,062)	(232,719)	7,120	(1,730,661)
Total Capital Assets, Being Depreciated, Net	8,024,018	(33,829)	-	7,990,189
Governmental Activities Capital Assets, Net	\$ 9,014,643	\$ (29,202)	\$ -	\$ 8,985,441

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities		
District Support Services		\$ 1,990
Regular Instruction		7,561
Special Education Instruction		333
Instructional Support Services		23,958
Sites and Buildings		198,877
Total Depreciation Expense, Governmental Activities		<u>\$ 232,719</u>

NOTE 6 SHORT-TERM BORROWING

The School amended an existing financing agreement on March 28, 2013, and increased the maximum working capital advances to \$300,000 and increased the amount general education funding from the Minnesota Department of Education used to secure the loan from \$200,000 to \$300,000. On October 3, 2014, the School extended the agreement through October 3, 2015. The terms and maximum working capital advances remained the same as the previous agreement. No borrowing took place under the terms of this line of credit during fiscal 2015.

NOTE 7 LONG-TERM LIABILITIES

Bonds Payable

Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
				Due Within One Year	Total
12/1/2012	2.40% - 5.00%	\$ 9,765,000	12/1/2043	\$ 180,000	\$ 9,765,000
12/1/2012	5.00%	185,000	12/1/2014	-	-
Total Lease Revenue Bonds Mortgage Loan Series 2012 Issues				180,000	9,765,000
Bond Premium - Net				-	247,631
Pension Benefits Payable				-	1,731,735
				<u>\$ 180,000</u>	<u>\$ 11,744,366</u>

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

Lease Revenue Bonds Mortgage Loan Series 2012 Issues – MSA Building Company obtained a \$9,950,000 mortgage loan from lease revenue bond proceeds sold by the City of Woodbury to refinance the remaining balance of the Lease Revenue Bonds Series 2002A which had been issued to refinance two previous mortgage loans related to the construction and equipping of the educational site owned by the Building Company and leased to Math and Science Academy. The 2012 loan proceeds were used to refinance a combined remaining principal of \$3,970,000 on the 2002 mortgage loan. The City of Woodbury issued two separate bond issues as follows: \$9,765,000 of non-taxable lease revenue bonds (Series 2012A) and \$185,000 of taxable lease revenue bonds (Series 2012B). The bond proceeds were placed in an escrow account controlled by U.S. Bank Trust under the terms of a trust agreement between the City of Woodbury and U.S. Bank Trust used by the Building Company to: (i) refund the outstanding Lease Revenue Bonds Series 2002A bond issues, (ii) finance the costs of acquiring, constructing, and equipping of an approximately 30,400 square-foot addition to the existing school building, (iii) finance various improvements to the Schoolhouse, (iv) pay interest on the Series 2012 Bonds through June 1, 2013, and (v) pay costs of issuing the Series 2012 Bonds.

The resulting loan is payable in semi-annual installments of principal and interest beginning December 1, 2013 through December 1, 2043. The note is based on annual interest rates that increase from 2.4% to 5.0% (the rates of the related lease revenue bonds) and is secured by a mortgage agreement covering the related land, school building, and building contents as well as the assignment of all lease revenue. The loan is also guaranteed by Math and Science Academy.

Following are maturities of long-term debt for each of the next five years ending June 30 and thereafter:

<u>Year Ending June 30.</u>	<u>Revenue Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 180,000	\$ 458,705
2017	180,000	454,160
2018	185,000	449,093
2019	190,000	443,417
2020	200,000	437,025
2021 - 2025	1,110,000	2,061,535
2026 - 2030	1,400,000	1,761,500
2031 - 2035	1,785,000	1,365,125
2036 and On	4,535,000	1,094,875
Total	<u>\$ 9,765,000</u>	<u>\$ 8,525,435</u>

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

Changes in long-term debt are as follows:

	June 30, 2014	Additions	Retirements	June 30, 2015
Minnesota Math and Science Academy				
Net Pension Liability	\$ 1,783,276	\$ 355,671	\$ 407,212	\$ 1,731,735
MSA Building Company				
Lease Revenue Bonds Mortgage Loan:				
City of Woodbury Series 20012A Issue	9,765,000	-	-	9,765,000
City of Woodbury Series 20012B Issue	170,000	-	170,000	-
Bond Premiums	256,345	-	8,714	247,631
	<u>\$ 11,974,621</u>	<u>\$ 355,671</u>	<u>\$ 585,926</u>	<u>\$ 11,744,366</u>

NOTE 8 DEFINED BENEFIT PENSION PLANS

Substantially all employees of the Math and Science Academy are required by state law to belong to pension plans administered by Teachers' Retirement Association (TRA) or Public Employees' Retirement Association (PERA), all of which are administered on a statewide basis. Disclosures relating to these plans follows:

A. Plan Description

The District participates in the following defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and Teachers Retirement Fund (TRA). PERA and TRA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*. PERA and TRA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (GERF)

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 School other than teachers are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

2. Teachers Retirement Fund (TRA)

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.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

2. Teachers Retirement Fund (TRA) (Continued)

Teachers employed in Minnesota's public elementary and secondary schools, 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.

B. Benefits Provided

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

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

TRA: Postretirement benefit increases are provided to eligible benefit recipients each January. The TRA increase is 2.0%. After the TRA funded ratio exceeds 90% for two consecutive years, the annual postretirement benefit will increase to 2.5%.

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

1. GERS Benefits

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

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

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 1 Benefits

Tier 1	Step Rate Formula	Percentage
Basic	First Ten Years of Service	2.2% per Year
	All Years After	2.7% per Year
Coordinated	First Ten Years of Service are Up to July 1, 2006	1.2% per Year
	First Ten Years, If Service Years are July 1, 2006 or After	1.4% per Year
	All Other Years of Service If Service Years are Up to July 1, 2006	1.7% per Year
	All Other Years of Service If Services Years are July 1, 206 or After	1.9% 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) 3.0% per year early retirement reduction factor 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

Tier II Benefits

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

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

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree - no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans 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 eligible for a refund of their employee contributions plus interest.

C. Contributions

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

1. GERS Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in calendar year 2014. Coordinated Plan members contributed 6.5% of pay in 2015. In calendar year 2014, the School was required to contribute 11.78% of pay for Basic Plan members and 7.25% for Coordinated Plan members. In 2015, employer rates increased to 7.5% in the Coordinated Plan. The School's contributions to the GERS for the plan's fiscal year ended June 30, 2015, were \$19,570. The School's contributions were equal to the required contributions for each year as set by state statute.

2. TRA Contributions

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

	Ending June 30, 2014		Ending June 30, 2015	
	Employee	Employer	Employee	Employer
Basic	10.5 %	11.0 %	11.0 %	11.5 %
Coordinated	7.0	7.0	7.5	7.5

The School's contributions to TRA for the plan's fiscal year ended June 30, 2015 were \$118,667. The School's contributions were equal to the required contributions for each year as set by state statute.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs

1. GERF Pension Costs

At June 30, 2015, the School reported a liability of \$197,295 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2013, through June 30, 2014, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the School's proportion was .0042%.

For the year ended June 30, 2015, the School recognized pension expense of \$14,646 for its proportionate share of GERF's pension expense.

At June 30, 2015, the School reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 3,028	\$ -
Changes in Actuarial Assumptions	20,333	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	53,309
Changes in Proportion and Differences Between School Contributions and Proportionate Share of Contributions	-	-
School Contributions Subsequent to the Measurement Date	19,570	-
Total	<u>\$ 42,931</u>	<u>\$ 53,309</u>

A total of \$19,570 reported as deferred outflows of resources related to pensions resulting from School contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. GERS Pension Costs (Continued)

<u>Year Ending June 30,</u>	<u>Pension Expenses Amount</u>
2016	\$ (5,540)
2017	(5,540)
2018	(5,540)
2019	(13,328)
2020	-
Thereafter	-

2. TRA Pension Costs

At June 30, 2015, the School reported a liability of \$1,534,440 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis and Minneapolis School District. The School's proportionate share was .0333% at the end of the measurement period and .0271% for the beginning of the period.

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the School 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 School were as follows:

<u>Description</u>	<u>Amount</u>
School's Proportionate Share of the TRA Net Pension Liability	\$ 1,534,440
State's Proportionate Share of TRA's Net Pension Liability Associated with the School	107,817

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

For the year ended June 30, 2015, the School recognized pension expense of \$138,514. It also recognized \$4,703 as pension expense for the support provided by direct aid.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 130,929	\$ -
Changes in Actuarial Assumptions	-	-
Net Difference Between Projected and Actual Investment Earnings	-	482,412
Changes in Proportion and Differences Between School Contributions and Proportionate Share of Contributions	299,444	-
School Contributions Subsequent to the Measurement Date	118,667	-
Total	<u>\$ 549,040</u>	<u>\$ 482,412</u>

A total of \$118,667 reported as deferred outflows of resources related to pensions resulting from School contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expenses Amount</u>
2016	\$ (30,755)
2017	(30,755)
2018	(30,755)
2019	(30,755)
2020	70,981
Thereafter	-

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.75% per Year	3.50%
Active Member Payroll Growth	3.50% per Year	3.75% Based on Years of Service
Investment Rate of Return	7.90%	8.25%

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

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The actuarial assumptions used in the June 30, 2014, valuation were based on the results of the actuarial experience study for the period of July 1, 2004, to June 30, 2008, and a limited scope experience study dated August 29, 2014. The limited scope experience study addressed only inflation and long-term rate of return for the GASB 67 valuation.

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

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

The long-term expected rate of return on pension plan investments is 7.9% for GERF and 8.25% for TRA. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	5.50%
International Equity	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Cash	2%	0.50%
Totals	<u>100%</u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 7.9% for GERF and 8.25% for TRA. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the School'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 School's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
<u>GERF Discount Rate</u>	6.90%	7.90%	8.90%
School's Proportionate Share of the GERF Net Pension Liability	\$ 318,047	\$ 197,295	\$ 97,944
<u>TRA Discount Rate</u>	7.25%	8.25%	9.25%
School's Proportionate Share of the TRA Net Pension Liability	\$ 2,535,904	\$ 1,534,440	\$ 699,565

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)

H. Pension Plan Fiduciary Net Position

Detailed information about GERF's fiduciary's 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.

NOTE 9 COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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

B. Lease Commitments and Terms – School Site

The School leases its main educational site at 8430 Woodbury Crossing, Woodbury, Minnesota from the MSA Building Company (a blended component unit). Under the terms of the revised lease agreement, the lease term is for the period beginning June 1, 2002 and ending December 31, 2043. The School has an option to extend the lease term for an unlimited number of consecutive 10-year lease periods either on the same lease terms or as agreed upon with the Building Company.

The net annual base rent for the term of the lease agreement is directly tied to the debt service requirements of the MSA Building Company, including amounts held in escrow as part of the respective loan agreements. In addition, the School is responsible for all interior and exterior repair and maintenance costs as well as all utility costs.

The total amount of rent incurred by the School to MSA Building Company under the terms of the main lease agreement was \$747,520 for fiscal 2015. The total cost of all educational-related space for fiscal 2014-2015 which qualified for state lease aid was \$747,520. The School qualified for state charter school lease aid based on a statutory cap of 90% of the lower of actual or approved lease expenditures, or \$672,768. This entitlement is subject to proration by the Minnesota Department of Education to the extent the overall funding that has been provided is insufficient to meet all amounts owed to Minnesota charter schools. Future amounts to be requested for state lease aid from the Minnesota Department of Education may vary due to financing arrangements, which are subject to change.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. Lease Commitments and Terms – School Site (Continued)

A schedule of lease commitments is as follows:

<u>Year Ending June 30,</u>	<u>Scheduled Lease Payments 8430 Woodbury Crossing</u>
2016	\$ 688,345
2017	686,679
2018	686,562
2019	688,752
2020	689,375
2021 - 2025	3,446,733
2026 - 2030	3,446,500
2031 - 2035	3,442,271
2036 and On	5,792,645
Total	<u>\$ 19,567,862</u>

The School's ability to make payments under its lease agreements is dependent on its revenues which are in turn, largely dependent on sufficient enrollments being served at the School and on sufficient state aids per student being authorized and received from the State of Minnesota. The School believes that its enrollments and aid entitlements will be sufficient to meet the lease obligations as they become due.

C. Contingent Litigation Liability

During fiscal year 2015, MSA Building Company was involved in litigation with the owner of the property adjacent to MSA Building Company's property. An Easement Agreement was entered into between MSA Building Company and the adjacent property owner prior to the construction of the School which required MSA Building Company to grade the adjacent property owner's property in accordance with a plan prepared by an agreed upon engineering company. The adjacent property owner claims damages for the lost sale of its property and costs it claims to have incurred in dealing with the grading work in an unspecified amount. In addition, the School entered into a lease with the adjacent property owner which it uses for physical education classes. The adjacent property owner claims the School has breached the lease by not properly maintaining the leased property, including the mowing of grass. MSA Building Company and the School have answered the complaint and denied all liability. MSA Building Company has also brought a third party complaint against the construction company that was hired to build the school and complete the respective grading, alleging that, if MSA Building Company is liable, it is a result of the construction company not properly performing the work it was hired to do. There is no estimated liability for this litigation as of June 30, 2015.

**MATH AND SCIENCE ACADEMY
 CHARTER SCHOOL NO. 4043
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2015**

NOTE 10 CHANGE IN ACCOUNTING PRINCIPLE

During fiscal year ended June 30, 2015, Math and Science Academy adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. As a result, Math and Science Academy's net position as of June 30, 2014 has been restated to reflect the recognition of the School's proportionate share of the Public Employees' Retirement Association of Minnesota General Employees' Retirement Fund's net pension liability as well as their portion of the Teacher's Retirement Association's Coordinated and Basic Plan net pension liability.

Net Position, as Previously Reported at June 30, 2014	\$ 1,205,454
Cumulative Affect of Application of GASB 68, Net Pension Liability	(1,783,276)
Cumulative Affect of Application of GASB 71, Deferred Outflow of Resources for District Contributions Made to the Plan During Fiscal Year Ended June 30, 2014	<u>121,529</u>
Net Position, June 30, 2014, as Restated	<u><u>\$ (456,293)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**MATH AND SCIENCE ACADEMY
 CHARTER SCHOOL NO. 4043
 TRA SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 YEAR ENDED JUNE 30, 2015**

	2015
School's Proportion of the Net Pension Liability	0.033%
School's Proportionate Share of the Net Pension Liability	\$ 1,534,440
State's Proportionate Share of the Net Pension Liability Associated with School	107,817
Total	\$ 1,642,257
School's Covered-Employee Payroll	1,582,227
School's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	96.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.50%

**MATH AND SCIENCE ACADEMY
 CHARTER SCHOOL NO. 4043
 TRA SCHEDULE OF SCHOOL CONTRIBUTIONS
 YEAR ENDED JUNE 30, 2015**

	2015
Statorily Required Contribution	\$ 118,667
Contributions in Relation to the Statorily Required Contribution	(118,667)
Contribution Deficiency (Excess)	\$ -
 School's Covered-Employee Payroll	\$ 1,582,227
 Contributions as a Percentage of Covered Employee Payroll	7.5%

**MATH AND SCIENCE ACADEMY
 CHARTER SCHOOL NO. 4043
 PERA SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 YEAR ENDED JUNE 30, 2015**

	2015
School's Proportion of the Net Pension Liability	0.0042%
School's Proportionate Share of the Net Pension Liability	\$ 197,295
School's Covered-Employee Payroll	265,356
School's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	74.35%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	78.70%

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
PERA SCHEDULE OF SCHOOL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
Statutorily Required Contribution	\$ 19,570
Contributions in Relation to the Statutorily Required Contribution	<u>(19,570)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
School's Covered-Employee Payroll	\$ 265,356
Contributions as a Percentage of Covered Employee Payroll	7.38%

SUPPLEMENTARY INFORMATION

**MATH AND SCIENCE ACADEMY
 CHARTER SCHOOL NO. 4043
 GENERAL FUND
 BALANCE SHEET
 JUNE 30, 2015
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	2015	2014
ASSETS		
Cash and Investments	\$ 1,562,733	\$ 1,338,021
Receivables:		
Accounts and Interest Receivable	416	1,907
Due from Other Fund	2,400	2,304
Due from Minnesota Department of Education	430,514	276,937
Due from Federal through the Minnesota Department of Education	8,387	6,236
Prepaid Items	53,256	60,353
Total Assets	\$ 2,057,706	\$ 1,685,758
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Salaries Payable	\$ 181,869	\$ 155,177
Payroll Deductions and Employer Contributions Payable	68,885	56,071
Accounts and Contracts Payable	137,429	25,404
Total Liabilities	388,183	236,652
Fund Balance:		
Nonspendable:		
Prepaid Items	53,256	60,353
Assigned:		
Technology Equipment	3,981	-
Student Groups	37,499	42,308
Unassigned	1,574,787	1,346,445
Total Fund Balance	1,669,523	1,449,106
Total Liabilities and Fund Balance	\$ 2,057,706	\$ 1,685,758

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015		Over (Under) Final Budget	2014
	Final Budget	Actual Amounts		Actual Amounts
REVENUES				
Local Sources:				
Earnings on Investments	\$ 660	\$ 714	\$ 54	\$ 608
Other	112,265	244,182	131,917	241,735
State Sources	4,089,618	4,284,723	195,105	3,821,202
Federal Sources	65,100	96,172	31,072	50,635
Total Revenues	4,267,643	4,625,791	358,148	4,114,180
EXPENDITURES				
Current:				
Administration:				
Salaries	86,973	87,893	920	84,940
Employee Benefits	32,514	30,179	(2,335)	27,810
Purchased Services	1,500	867	(633)	500
Supplies and Materials	2,800	3,114	314	3,036
Other Expenditures	23,000	24,724	1,724	22,702
Total Administration	146,787	146,777	(10)	138,988
District Support Services:				
Salaries	111,896	107,152	(4,744)	92,015
Employee Benefits	47,182	49,044	1,862	42,814
Purchased Services	134,100	121,940	(12,160)	140,139
Supplies and Materials	42,740	36,820	(5,920)	42,868
Capital Expenditures	4,500	5,607	1,107	5,001
Other Expenditures	3,555	2,595	(960)	746
Total District Support Services	343,973	323,158	(20,815)	323,583
Elementary and Secondary Regular Instruction:				
Salaries	1,391,375	1,347,887	(43,488)	1,327,383
Employee Benefits	506,878	465,159	(41,719)	456,757
Purchased Services	56,650	50,810	(5,840)	44,956
Supplies and Materials	116,867	243,143	126,276	151,327
Capital Expenditures	3,000	5,522	2,522	11,719
Other Expenditures	2,500	1,110	(1,390)	2,753
Total Elementary and Secondary Regular Instruction	2,077,270	2,113,631	36,361	1,994,895

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015		Over (Under) Final Budget	2014
	Final Budget	Actual Amounts		Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Special Education Instruction:				
Salaries	\$ 206,731	\$ 276,567	\$ 69,836	\$ 236,097
Employee Benefits	76,345	117,452	41,107	83,486
Purchased Services	55,600	87,352	31,752	47,081
Supplies and Materials	8,000	5,662	(2,338)	4,711
Capital Expenditures	1,000	3,160	2,160	535
Other Expenditures	2,000	-	(2,000)	1,483
Total Special Education Instruction	349,676	490,193	140,517	373,393
Instructional Support Services:				
Salaries	60,000	63,100	3,100	5,017
Employee Benefits	28,430	12,166	(16,264)	720
Purchased Services	62,268	59,258	(3,010)	49,929
Supplies and Materials	11,090	8,869	(2,221)	6,823
Capital Expenditures	87,700	54,840	(32,860)	91,480
Total Instructional Support Services	249,488	198,233	(51,255)	153,969
Pupil Support Services:				
Salaries	8,470	-	(8,470)	2,740
Employee Benefits	1,283	-	(1,283)	176
Purchased Services	19,400	15,412	(3,988)	14,724
Supplies and Materials	3,000	1,250	(1,750)	2,707
Total Pupil Support Services	32,153	16,662	(15,491)	20,347
Sites and Buildings:				
Purchased Services	961,670	980,302	18,632	922,062
Supplies and Materials	12,800	16,497	3,697	15,613
Capital Expenditures	10,100	93,250	83,150	41,837
Total Sites and Buildings	984,570	1,090,049	105,479	979,512
Fiscal and Other Fixed Cost Programs:				
Purchased Services	24,100	26,671	2,571	18,711

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015		Over (Under) Final Budget	2014
	Final Budget	Actual Amounts		Actual Amounts
EXPENDITURES (Continued)				
Debt Service:				
Interest and Fiscal Charges	\$ 1,000	\$ -	\$ (1,000)	\$ -
Total Expenditures	4,209,017	4,405,374	196,357	4,003,398
Excess of Revenues Over Expenditures	58,626	220,417	161,791	110,782
OTHER FINANCING SOURCES				
Insurance Recovery Proceeds	-	-	-	15,585
Net Change in Fund Balance	<u>\$ 58,626</u>	220,417	<u>\$ 161,791</u>	126,367
FUND BALANCE				
Beginning of Year		1,449,106		1,322,739
End of Year		<u>\$ 1,669,523</u>		<u>\$ 1,449,106</u>

**MATH AND SCIENCE ACADEMY
 CHARTER SCHOOL NO. 4043
 BUILDING COMPANY SPECIAL REVENUE FUND
 BALANCE SHEET
 JUNE 30, 2015
 (WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Investments	\$ 4,619	\$ 4,647
Cash and Investments Held by Trustee	1,002,173	1,000,204
Other Local Receivables	450	-
Prepaid Items	<u>2,400</u>	<u>3,129</u>
Total Assets	<u>\$ 1,009,642</u>	<u>\$ 1,007,980</u>
LIABILITIES		
Accounts and Contracts Payable	\$ 324	\$ 33,512
Due to Other Fund	<u>2,400</u>	<u>2,304</u>
Total Liabilities	2,724	35,816
FUND BALANCE		
Nonspendable:		
Prepays Items	2,400	3,129
Restricted for Building Company	<u>1,004,518</u>	<u>969,035</u>
Total Fund Balances	<u>1,006,918</u>	<u>972,164</u>
Total Liabilities and Fund Balance	<u>\$ 1,009,642</u>	<u>\$ 1,007,980</u>

**MATH AND SCIENCE ACADEMY
 CHARTER SCHOOL NO. 4043
 BUILDING COMPANY SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
 YEAR ENDED JUNE 30, 2015
 (WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015	2014
REVENUES		
Local:		
Earnings on Investments	\$ 67	\$ 224
Other	747,970	683,318
Total Revenues	748,037	683,542
 EXPENDITURES		
Current:		
Fiscal Agent and Other Expenditures	27,284	32,470
Capital Outlay	50,884	2,326,664
Principal	170,000	15,000
Interest and Fiscal Charges	465,115	469,740
Total Expenditures	713,283	2,843,874
 Excess (Deficiency) of Revenues Over (Under) Expenditures	34,754	(2,160,332)
 Fund Balance - Beginning	972,164	3,132,496
 Fund Balance - Ending	\$ 1,006,918	\$ 972,164

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
JUNE 30, 2015**

	AUDIT	UFARS	Difference
01 GENERAL FUND			
Total Revenue	\$ 4,625,791	\$ 4,625,791	\$ -
Total Expenditures	\$ 4,405,374	\$ 4,405,373	\$ 1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ 53,256	\$ 53,256	\$ -
<i>Restricted/Reserved:</i>			
403 Staff Development	\$ -	\$ -	\$ -
405 Deferred Maintenance	\$ -	\$ -	\$ -
406 Health & Safety	\$ -	\$ -	\$ -
407 Capital Project Levy	\$ -	\$ -	\$ -
408 Cooperative Programs	\$ -	\$ -	\$ -
414 Operating Debt	\$ -	\$ -	\$ -
416 Levy Reduction	\$ -	\$ -	\$ -
417 Taconite Building Maint	\$ -	\$ -	\$ -
423 Certain Teacher Programs	\$ -	\$ -	\$ -
424 Operating Capital	\$ -	\$ -	\$ -
426 \$25 Taconite	\$ -	\$ -	\$ -
427 Disabled Accessibility	\$ -	\$ -	\$ -
428 Learning & Development	\$ -	\$ -	\$ -
434 Area Learning Center	\$ -	\$ -	\$ -
435 Contracted Alt. Programs	\$ -	\$ -	\$ -
436 State Approved Alt. Program	\$ -	\$ -	\$ -
438 Gifted & Talented	\$ -	\$ -	\$ -
441 Basic Skills Programs	\$ -	\$ -	\$ -
445 Career and Technical Programs	\$ -	\$ -	\$ -
449 Safe Schools Crime	\$ -	\$ -	\$ -
450 Prekindergarten	\$ -	\$ -	\$ -
451 QZAB Payments	\$ -	\$ -	\$ -
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -
453 Unfunded Sev & Retirement Levy	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Restricted Fund Balance	\$ -	\$ -	\$ -
<i>Committed:</i>			
418 Committed for Separation	\$ -	\$ -	\$ -
461 Committed Fund Balance	\$ -	\$ -	\$ -
<i>Assigned:</i>			
462 Assigned Fund Balance	\$ 41,480	\$ 41,480	\$ -
<i>Unassigned:</i>			
422 Unassigned Fund Balance	\$ 1,574,787	\$ 1,574,788	\$ (1)
02 FOOD SERVICE			
Total Revenue	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
<i>Restricted:</i>			
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -
464 Restricted Fund Balance	\$ -	\$ -	\$ -
<i>Unassigned:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -
04 COMMUNITY SERVICE			
Total Revenue	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
<i>Restricted/Reserved:</i>			
426 \$25 Taconite	\$ -	\$ -	\$ -
431 Community Education	\$ -	\$ -	\$ -
432 E.C.F.E.	\$ -	\$ -	\$ -
444 School Readiness	\$ -	\$ -	\$ -
447 Adult Basic Education	\$ -	\$ -	\$ -
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Restricted Fund Balance	\$ -	\$ -	\$ -
<i>Unreserved:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -

OTHER REQUIRED REPORTS



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

Members of the Board of Directors
Math and Science Academy
Charter School No. 4043
Woodbury, 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, financial statements of the governmental activities and each major fund of Math and Science Academy as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 1, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Math and Science Academy'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 Math and Science Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Math and Science Academy's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.


Members of the Board of Directors
Math and Science Academy
Charter School No. 4043

Compliance and Other Matters

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

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 result of that testing, and not to provide an opinion on the effectiveness of Math and Science Academy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Math and Science Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 1, 2015



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INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Members of the Board of Directors
Math and Science Academy
Charter School No. 4043
Woodbury, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Math and Science Academy as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 1, 2015.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions* promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, identifies two main categories of compliance to be tested in audits of charter schools: uniform financial accounting and reporting standards and charter schools. Our study included the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that Math and Science Academy failed to comply with the provisions of the Minnesota Legal Compliance Audit Guide for Political Subdivisions except for the item described in detail in the attached Schedule of Findings as finding 2015-001. 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 School's noncompliance with the above-referenced provisions.

Math and Science Academy's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Math and Science Academy's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions* and the results of that testing, and not to provide an opinion on the effectiveness of the School's compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 1, 2015



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**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2015**

A. FINDINGS – MINNESOTA LEGAL COMPLIANCE

CURRENT YEAR

FINDING: 2015-001 PROMPT PAYMENT OF BILLS

Minnesota Statutes §471.425 subd. 2 states that a school must pay each vendor obligation according to the terms of the contract or, if no contract terms apply, within the standard payment period unless the municipality in good faith disputes the obligation. The standard payment period is 35 days from the date of receipt of goods or services or the related invoice, whichever is later, for schools whom have governing boards which have regular scheduled meetings at least once a months, as the Math and Science Academy School Board does. During our testing of 25 randomly selected general disbursements, we noted two instances where invoices were paid after 35 days. Therefore, payment was made to vendors beyond the allowed period.

Additionally, Minnesota Statutes 471.425, Subd. 4 requires the School to calculate and pay interest to a vendor if they have not paid the vendor within the 35-day time period noted above, at a rate of 1½% per month. The School did not make such interest payments.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings:

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The School's procedures will be reviewed and revised as needed to ensure that all bill payments are made on a timely basis.

Official Responsible for Ensuring CAP:

John Gawarecki, Executive Director, is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The School will implement the recommended changes by the end of fiscal year 2016.

Plan to Monitor Completion of CAP:

The corrective action plan will be monitored by the School Board.

Long Range Budget Model

Math and Science Academy
Long-Range Budget Projection Model
April 12, 2015

	<u>Actual</u> <u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Enrollment Projections						
Number of Students Grade 6	88	79	84	84	84	84
Number of Students Grade 7	88	90	84	84	84	84
Number of Students Grade 8	87	87	88	80	80	80
Number of Students Grade 9	71	74	75	80	80	80
Number of Students Grade 10	50	62	70	73	75	77
Number of Students Grade 11	34	50	57	67	69	71
Less Adjustment for Grade 11 PSEO - Assuming 25% FT PSEO	(7)	(7)	(13)	(15)	(15)	(16)
Adjusted ADM for Grade 11	27	43	44	52	54	55
Number of Students Grade 12	26	30	48	55	60	62
Less Adjustment for Grade 12 PSEO - Assuming 75% FT PSEO	(19)	(22)	(32)	(36)	(40)	(41)
Adjusted ADM for Grade 12	7	8	16	19	20	21
Total Enrollment/Headcount	445	472	506	523	532	538
Total ADM	419	444	462	472	477	481
Total Number of Current Year Pupil Units (WADM)	523.48	516.87	537.34	549.55	555.86	560.95
State Revenue Assumptions and Calculations						
General Education Revenue						
State Averages Per Pupil Unit	5,044.51	5,831.00	5,889.31	5,948.20	6,007.69	6,067.76
Inflation Rate Assumption-Basic only	1.0%	1.5%	1.0%	1.0%	1.0%	1.0%
Basic Excluding Transportation	\$5,044.61	\$5,559.28	\$5,614.87	\$5,671.02	\$5,727.73	\$5,785.00
Gifted and Talented	12.00	13.00	13.00	13.00	13.00	13.00
Transportation Sparsity	0.24	0.00	0.00	0.00	0.00	0.00
Sparsity	26.47	27.48	27.48	27.48	27.48	27.48
Operating Capital	206.85	225.25	225.25	225.25	225.25	225.25
Equity	97.47	115.09	115.09	115.09	115.09	115.09
Referendum	99.73	236.14	196.30	196.30	196.30	196.30
Transition Allowance	0.62	0.62	0.62	0.62	0.62	0.62
Transportation	0.00	0.00	0.00	0.00	0.00	0.00
Per Pupil Unit State Revenue	5,487.99	6,176.86	6,192.60	6,248.75	6,305.46	6,362.74
Less Pension Adjustment	(32.42)	7.40	7.40	7.40	7.40	7.40
Total Per Pupil Unit State Revenue	\$5,455.57	\$6,184.26	\$6,200.00	\$6,256.15	\$6,312.86	\$6,370.14
Total General Education State Revenue	2,855,856	3,196,426	3,331,485	3,438,081	3,509,093	3,573,343

**Math and Science Academy
Long-Range Budget Projection Model
April 12, 2015**

	<u>Actual</u> <u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Compensatory Revenue	per state 409	per MDE 11-13-13 442	per MDE 2-3-15 478	per state 462	per state 472	per state 477
A: Number of Students prior yr. (current year for 1st year)	7	4	5	5	5	5
B: Number of Free Lunch Students prior yr. (or current year for	0	4	4	4	4	4
C: Number of Reduced Lunch Students prior yr. (current yr. for	7.00	6.00	7.00	6.76	6.91	6.99
D: Adjusted Counts = 100% Free, 50% Reduced - (A)	0.02	0.01	0.01	0.01	0.01	0.01
E: Concentration Portion	0.02	0.02	0.02	0.02	0.02	0.02
F: Concentration Factor (lesser of 1 or Conc. Portion/ .8)	0.09	0.06	0.08	0.07	0.08	0.08
G: PU = .6 * D * F	439	305	388	379	392	401
H: Initial Revenue	1	(5)	11	1	1	1
Miscellaneous Adjustment (Rounding)	439	300	399	379	392	401
I: Short Year Factor	1	1	1	1	1	1
Calculated Compensatory State Revenue ((A) x (B))	439	300	399	379	392	401
Building Lease Aid						
Aid at \$1,200 per p.u., change to \$1314 per p.u. 7-1-14	628,170	679,161	706,060	722,111	730,405	737,091
Aid at 90% of Lease	628,166	672,768	706,060	722,111	730,405	737,091
Lesser of per pupil unit or 90% of lease payment	1200	1302	1314	1314	1314	1314
90% of lease payment-per pupil unit	628,166	672,768	706,060	722,111	730,405	737,091
Estimated Proration of Lease Aid Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Prorated Building Lease Aid Revenue	628,166	672,768	706,060	722,111	730,405	737,091
Lease Aid Revenue per pupil unit(before proration)	1200	1302	1314	1314	1314	1314
		94%	94%	94%	94%	94%
Special Education Revenue	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
State Special Education Aid and Tuition Billing	306,662	346,570	390,714	406,362	422,624	439,544
LEP (Limited English Proficiency) State Aid						
Prior Year LEP Eligible ADM	0	0	0	0	0	0
Current Year LEP Eligible ADM	0	0	0	0	0	0
ADM Served	419	444	462	472	477	481
Adjusted LEP ADM	0	0	0	0	0	0
LEP Marginal Cost Pupils	0	0	0	0	0	0
LEP Revenue	0	0	0	0	0	0
Concentration Portion	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
LEP Concentration Revenue	0	0	0	0	0	0
Total LEP Aid	0	0	0	0	0	0

**Math and Science Academy
Long-Range Budget Projection Model
April 12, 2015**

	<u>Actual</u> <u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Revenue Summary and Projections						
State Aids						
General Education Revenue	2,855,856	3,196,426	3,331,485	3,438,081	3,509,093	3,573,343
Compensatory Revenue	439	300	399	379	392	401
Subtotal	2,856,295	3,196,726	3,331,885	3,438,461	3,509,486	3,573,744
Technical & Operating Capital Aid	0	0	0	0	0	0
Building Lease Aid	628,166	672,768	706,060	722,111	730,405	737,091
Prior Year Over/Underaccruals	19,198	55	0	0	0	0
Special Education Aid	306,662	346,570	390,714	406,362	422,624	439,544
Endowment Aid	10,828	12,944	13,457	13,763	13,921	14,048
Teacher Development & Evaluation Revenue		8,426	0	0	0	0
Other Miscellaneous State Aid	53	0	0	0	0	0
Total State Aids	3,821,203	4,237,490	4,442,116	4,580,696	4,676,435	4,764,427
Federal Revenue						
Federal Special Ed	50,635	91,186	86,226	88,000	89,800	91,600
Total Federal Revenue	50,635	91,186	86,226	88,000	89,800	91,600
Other Revenue						
Fees from Patrons, Students, Music	21,258	8,000	8,500	8,900	9,200	9,500
Fees From Patrons: Study Hall (920-050)		9,065	9,600	10,000	10,300	10,600
Fees from Students/ Field Trip	23,625	28,900	30,600	31,900	32,900	33,900
Interest Revenue	608	660	750	750	750	750
Technology Donations	800	0	0	0	0	0
Annual Fund (255)/Capital Campaign	58,783	58,000	50,000	50,000	50,000	50,000
Donations and Miscellaneous Grants	250	3,000	0	0	0	0
Miscellaneous Income/Sale of Equipment	13,472	325	0	0	0	0
Year Book Revenues	12,415	13,800	14,600	15,200	15,700	16,200
Insurance Recovery (625)	15,585	0	0	0	0	0
Student Activity Revenue (offset by SA expenses, year-end entry)	111,132	20,000	10,000	7,500	7,500	5,000
Total Other Revenue	257,928	141,750	124,050	124,250	126,350	125,950
Total Revenue	4,129,765	4,470,426	4,652,392	4,792,946	4,892,585	4,981,977

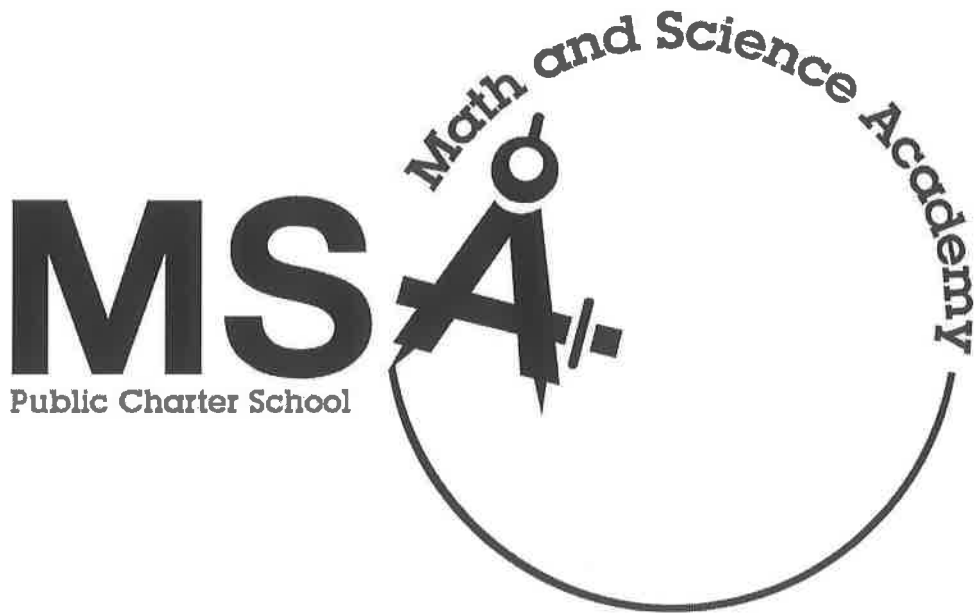
**Math and Science Academy
Long-Range Budget Projection Model
April 12, 2015**

	<u>Actual</u> <u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Expenditure Calculations						
Inflation Assumptions						
Salaries		2.0%	2.0%	2.0%	2.0%	2.0%
Other costs		2.0%	2.0%	2.0%	2.0%	2.0%
Budget Calculations						
100 Salaries	35.2%	37.8%	38.1%	39.1%	40.1%	41.1%
200 Benefits	1,491,266	1,571,677	1,740,363	1,775,200	1,810,700	1,846,900
185 Bonus Pay	525,475	594,343	663,802	694,841	726,843	759,843
100 Extracurricular Stipends	0	0	0	0	0	0
100 Study Hall (920)	41,090	58,099	45,825	46,700	47,600	48,600
305 Contracted Services	13,000	13,000	9,600	10,000	10,300	10,600
320 Communications Services	170,592	192,785	197,598	206,000	212,500	218,700
329 Postage	21,948	26,620	28,200	29,400	30,300	31,200
330 Utilities	3,856	6,100	6,500	6,800	7,000	7,200
340 Insurance	80,441	94,635	96,500	98,400	100,400	102,400
350 Repairs and Maintenance	18,711	24,100	24,600	25,100	25,600	26,100
360 Field Trip Transportation	84,890	66,200	70,200	73,200	75,500	77,700
366 Travel and conferences	7,205	8,900	9,400	9,800	10,100	10,400
369 Field Trip Admissions	26,965	39,526	41,900	43,700	45,100	46,400
	17,862	20,000	21,200	22,100	22,800	23,500
8500 Woodbury Crossing (Engstrom)	14,656					
Lease Payments per Amended Lease (Nov 2012)	614,678	690,240	688,345	686,679	686,562	686,562
Adjustment, Max Lease Aid or Close	68,628	57,280	96,166	115,667	124,999	132,428
370 Total Lease Expense	697,962	747,520	784,511	802,346	811,561	818,990
370 Other Rentals and Operating Leases	13,076	12,168	12,900	13,400	13,800	14,200
391 Payments to Other ISD's - CIS Program	5,800	8,410	5,990	6,200	6,400	6,600
401 General Supplies/Non-Instructional	63,682	59,775	64,350	67,100	69,200	71,200
401 Maintenance Supplies	15,613	12,800	16,100	16,800	17,300	17,800
405 Non-Instructional Computer Software & Licensing	16,519	20,430	22,800	23,800	24,500	25,200
430 Instructional Supplies	27,244	34,387	36,500	38,100	39,300	40,400
460 Textbooks and Workbooks	18,358	48,405	51,400	53,600	55,300	56,900
461 Standardized Tests	6,308	5,800	7,700	8,000	8,300	8,500

**Math and Science Academy
Long-Range Budget Projection Model
April 12, 2015**

	<u>Actual</u> <u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
470 Media/Library Resources	0	0	0	0	0	0
530 Furniture and Other Equipment	43,308	12,000	12,700	13,200	13,600	14,000
555 Technology Equipment	58,953	80,000	40,000	41,700	43,000	44,200
555 Technology Equipment - From Staff Development	2,445	0	0	0	0	0
740 Interest Expense	0	0	0	1,000	1,000	1,000
820 Dues and memberships	25,824	30,930	32,895	34,300	35,400	36,400
898 Scholarships	0	500	500	500	500	500
520 Bldg Improvements	11,486	0	0	0	0	0
Annual Fund (255)/Capital Campaign	39,816	58,000	50,000	50,000	50,000	50,000
899 Miscellaneous Expense	383	0	0	0	0	0
Additional Educational Materials (916)	24,498	0	0	0	0	0
State Special Ed Expenditures / ESY	322,362	368,692	415,653	432,300	449,600	467,600
Federal Special Ed Expenditures (Inc. ARRA)	50,635	91,186	86,226	88,000	89,800	91,600
Student Activity Expenses (offset by SA revenue, year-end entry)	68,824	20,000	10,000	7,500	7,500	5,000
Total Expenditures	4,003,397 4,003,397	4,326,989 4,326,989	4,605,914	4,739,087	4,860,805	4,979,634
Annual Surplus	126,368 126,368	143,437 143,437	46,477	53,860	31,781	2,344
Beginning fund Balance	1,322,738	1,449,106	1,592,543	1,639,020	1,692,880	1,724,661
Ending Fund Balance	1,449,106 1,449,106	1,592,543 1,592,543	1,639,020	1,692,880	1,724,661	1,727,004
Fund Balance Percentage of Annual Expenditures	36.2%	36.8%	35.6%	35.7%	35.5%	34.7%

The projected statements are presented on a budgetary basis and do not include the activity of the building company.



Original Create Date:

October 2010

Last Modified:

September 2015

Status:

Final

Vision To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners and global citizens.

Mission To offer intense math, science and technology experiences and challenging opportunities in the arts and humanities. To develop lifelong learning skills, including critical thinking, leadership skills, volunteerism and collaboration with peers.

- Core Values*
- MSA will foster a safe environment where every voice is heard and individuals are free to take risks.
 - MSA will continue to improve performance and recognize outstanding achievement.
 - MSA will empower students to develop skills in organization, time management and self-discipline.
 - MSA will continuously evaluate and improve our program to ensure the highest quality of education.
 - MSA will encourage networking, collaboration, and open communication between all members of our community.
 - MSA will encourage students and staff to show respect for others and their views.
 - MSA students and staff will exhibit fairness, cooperation, integrity and honesty.
 - MSA students and staff will take responsibility for their actions.
 - MSA will encourage students, their parents and staff to volunteer at school.
 - MSA will set high expectations for teaching and learning.

Background

The 2010 Math and Science Academy (MSA) Board of Directors (BOD) created this Strategic Plan for the primary purpose of guiding the long-term viability of the school and to align our specific written goals with our Vision. The 2010-2011 plan had outlined two possible options for the continuous operation and sustainability of the school – continue to use the existing facilities (which would not have the ability to increase enrollment in the future) or build a new building (which would allow the ability to increase enrollment, if needed). MSA continues to have a strong enrollment waiting list of prospective students growing every year.

MSA had outgrown its original building and in 2010, signed a three year lease on an additional building across the street from the main building. After a careful and thorough review, in 2012, MSA decided to build a new building in the vacant lot adjacent to the current building and vacate the second building at the end of the three year lease. The building construction was completed in August 2013 and put into use starting with school year 2013-14. With the completion of the new building, MSA has its own gymnasium and music room with additional classrooms.

Review and Assessment

The BOD will review this strategic plan and assess and revise it as needed at the completion of each academic year.

Overview

The BOD identified eight key areas of focus: ***Enrollment, Finance, Facilities, Annual Funding Sources, Staffing, Academics, Communication, and Technology.***

The following sections will elaborate on these eight key areas.

Enrollment

Vision: To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners, and global citizens.

MSA's small size could very well be its greatest asset. MSA understands that small schools can offer personalized instruction, an atmosphere of ownership (for both staff and students), and foster a safe environment. When a school population exceeds 500 students, it tends to lose the feel of a small school.

MSA's maximum building capacity, based on current fire codes for the two buildings, is set at 290 students for Building A (8430) and 324 students for Building B (8460).

Historically, some students have elected to leave MSA at the completion of 8th and 9th grade, for several reasons, the most frequently cited reasons being:

- Desire to pursue classes available at other schools.
- Involvement in athletics not available at MSA.
- Academically not successful at MSA, and therefore elect to attend a school that has different graduation requirements.

MSA's Director has been charged with the task of improving student retention in these grades. To that end, in the 2014-15 school year more electives have been offered and MSA is working toward increasing the variety of core classes, and incorporating more AP classes when viable.

As long as it is financially viable, MSA will target an average student to teacher ratio of 20-22:1, which is calculated by the number of MSA students, excluding the PSEO students, divided by the number of non-Special Education teachers.

Enrollment (Continued)

Goals	Support for the Vision	Owner
<p>Remain a small school by capping enrollment accordingly, excluding PSEO students and contingent on facilities.</p>	<p>It is MSA's opinion that academic excellence is best achieved in small schools.</p> <p>Supported by:</p> <ul style="list-style-type: none"> • BOD • Finance Committee • Director 	<ul style="list-style-type: none"> • BOD • Director • MSA Staff
<p>Maintain the Enrollment Forecast spreadsheet that shows the number of students in each grade for the next five years.</p>	<p>This is MSA's plan for achieving the sustainable model of academic excellence.</p> <p>Supported by:</p> <ul style="list-style-type: none"> • Director • Finance Committee • Director 	<ul style="list-style-type: none"> • BOD • Director • MSA Staff

Facilities

Vision: To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners, and global citizens.

MSA's original building at 8430 Woodbury Crossing is leased from the MSA Building Company. A second building is also being leased by MSA Building Company was completed September 2013. The original building will houses 8th-12th graders and the second building houses 6th and 7th graders.

Challenges

Our biggest challenge will be to keep enrollment at a level that will allow us to maintain both buildings.

Goals	Support for the Vision	Owner
Ensure that the space of the two buildings is best utilized to provide adequate space for students to learn and teachers to instruct.	Sustainable model of academic excellence Supported by: <ul style="list-style-type: none"> • Director • Teachers 	<ul style="list-style-type: none"> • BOD • Building/Safety Committee
Ensure that both buildings have the necessary infrastructure and amenities that allow the facilities to be used to their full potential.	Sustainable model of academic excellence Supported by: <ul style="list-style-type: none"> • Director • Teachers 	<ul style="list-style-type: none"> • BOD • Building/Safety Committee
Ensure that funds are available to repair and update the old building to provide an adequate and safe learning environment.	Sustainable model of academic excellence Supported by: <ul style="list-style-type: none"> • Director • Teachers 	<ul style="list-style-type: none"> • BOD • Building/Safety Committee

Financing

Vision: To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners, and global citizens.

Since MSA opened in 1999, enrollment has increased every year. Initially, this growth was planned to fully populate the school in grades 6 – 12. More recently, the student population was forced to grow in order to keep the school financially solvent. Enrollment eventually exceeded the existing facility’s capacity, so additional classrooms, as well as a gymnasium, was completed September 2013. The combined facilities should provide sufficient space to accommodate the enrollment needed to balance the school’s budget for at least five years. See Appendix A for budget projections.

Challenges

Unchecked Enrollment Growth

The majority of the school’s revenue comes from the State of Minnesota and is based on the number of Adjusted Pupil Units. Because increases to State aid did not keep up with inflation, MSA frequently increased enrollment to meet increased costs. If future State funding does not increase sufficiently, and if alternative sources of funding are not found, eventually, the school’s facilities will not be able hold enough students to balance its budgets. In addition, this increase in student population will cause the school to get larger than most students, teachers, or parents want. The intimacy of a small school will be lost.

Sources of Revenue for Charter Schools

Unlike traditional public schools, charter schools cannot levy taxes. This means charter schools continue to experience a disproportionate financial challenge compared to traditional public schools. The staff of MSA, along with other charter schools, will continue to lobby legislators to increase funding to charter schools. In addition, the MSA BOD has created an Annual Fund Committee to search out and obtain new sources of revenue. Either, or both, approaches must be successful if MSA expects to continue submitting annual audited financial statements that result in positive fund balances.

Goal	Support for the Vision	Owner
Ensure that each yearly budget results in a surplus, or if it must be in deficit, then a plan must be in place to ensure that the issues causing the deficit are resolved.	Sustainable model of excellence Supported by: <ul style="list-style-type: none">• Treasurer• Director	<ul style="list-style-type: none">• BOD• Finance Committee

Annual Funding Sources

Vision: To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners, and global citizens.

The mission of the Math and Science Academy Annual Funding Committee is to keep MSA students focused on academics, and to rely on the gracious support of our parents, alumni and community members to participate in fundraising with the school. The results of these efforts will provide students with innovative and hands-on experiences so that MSA can continue on its path of academic excellence.

Focus

- Upgrade old and new buildings
- Course Expenses outside of budget

Goals	Support for the Vision	Owner
<p>Establish Annual Fund</p> <ul style="list-style-type: none"> • Engage MSA community in fundraising through contact with fundraising vehicle. • Continue Give to the Max as the main fundraising vehicle. • Reestablish connections with alumni. • Develop a greater community outreach. <p>Gather and analyze past and current data regarding school-related fundraising efforts to maximize MSA's overall alternative funding strategies.</p>	<p>Academic excellence</p> <p>Supported by:</p> <ul style="list-style-type: none"> • Annual Fund Committee • Finance Committee • MSA Community • Director 	<ul style="list-style-type: none"> • Annual Fund Committee • Alumni Committee

Staffing

Vision: To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners, and global citizens.

From a budgeting standpoint, it is critical that MSA continues to hire teachers and administrative staff as needed to support student success.

Goals	Support for the Vision	Owner
MSA will target an average student to teacher ratio of 20-22:1.	Sustainable model of education Supported by: <ul style="list-style-type: none"> Finance Committee Departments 	<ul style="list-style-type: none"> BOD Director
Ensure that teachers' licensures will adequately cover the projected student population.	Sustainable model of education Supported by: <ul style="list-style-type: none"> Departments 	<ul style="list-style-type: none"> BOD Director
Ensure that teachers are qualified and meet the growing needs of MSA's expanding curriculum.	Academic excellence Supported by: <ul style="list-style-type: none"> Departments 	<ul style="list-style-type: none"> BOD Director
Ensure that teachers receive competitive pay and benefits.	Sustainable model of education Supported by: <ul style="list-style-type: none"> Finance Committee 	<ul style="list-style-type: none"> Director

Academics

Vision: To be an innovative, sustainable model of academic excellence that creates well-rounded, life-long learners, and global citizens.

MSA's academics are both rigorous and varied. Individual teachers and departments create the curriculum, with significant changes being approved by the BOD. The curriculum emphasizes problem solving and critical thinking, as well as research and evaluation. This has created a program that encompasses a school-wide writing standard (MLA) as well as graduation requirements that exceed state and national standards in Math and Science. (See *Math & Science Academy High School Profile MSA Course Requirements* located on the school website www.mnmsa.org)

All of this has led to continuous success as evidenced by MSA students consistently scoring among the best in the state and in the country on standardized tests such as the MCAs and ACT.

Goals	Support for the Vision	Owner
Continue to provide and expand college credit options such as Advanced Placement (AP) courses and/or College in the Schools (CIS) courses in all core areas.	Academic excellence Supported by: <ul style="list-style-type: none"> • Finance-Committee • Academics Committee • Director 	<ul style="list-style-type: none"> • Departments
Maintain superior test scores on state required standardized tests.	Academic excellence Supported by: <ul style="list-style-type: none"> • Director 	<ul style="list-style-type: none"> • Departments
Ensure ongoing innovation in the classroom through the use of technology and current educational advancement and staff development.	Innovation Supported by: <ul style="list-style-type: none"> • Finance Committee • Technology Committee • Director 	<ul style="list-style-type: none"> • Departments

Academics (Continued)

Goals	Support for the Vision	Owner
Work to develop students into life-long learners and global citizens through curriculum selection and course offerings.	Create life-long learners Supported by: <ul style="list-style-type: none"><li data-bbox="743 394 906 432">• Director	<ul style="list-style-type: none"><li data-bbox="1122 289 1341 327">• Departments
Continue to provide support and information for students interested in enrolling in PSEO.	Academic excellence and create life-long learners Supported by: <ul style="list-style-type: none"><li data-bbox="743 611 906 648">• Director	<ul style="list-style-type: none"><li data-bbox="1122 474 1276 543">• Assistant Director

Communication

Vision: To be an innovative, sustainable model of academic excellence that creates well-rounded, life-long learners, and global citizens.

Since the Math and Science Academy (MSA) completed the building expansion project, it is critical that MSA create community awareness of the expanded facility as well as increased communication of overall school successes. These efforts are primarily for public relations. In addition, increased communication with the community could create sustainable community partnerships and open new avenues for funding and beyond. Communication would be integrated into the overall strategic plan as appropriate.

Challenge: MSA is not consistently viewed as being a primary stakeholder in the community.

Goals	Support for the Vision	Owner
Create increased community awareness through a detailed communication plan.	Promote MSA's sustainable model of excellence. Supported by: <ul style="list-style-type: none">• Annual Fund Committee• Director	<ul style="list-style-type: none">• BOD member• Committees as appropriate• Director
Seek out and sustain community partnerships to provide opportunities for students and staff to grow as community leaders.	Create well-rounded life-long learners and global citizens. Supported by: <ul style="list-style-type: none">• Annual Fund Committee• Director	<ul style="list-style-type: none">• BOD as appropriate• Director

Opportunities

- Local Business Internship/Mentor Programs
- Press Release / Media Relationships
- Woodbury Chamber of Commerce Partnerships

Technology

Vision: To be an innovative, sustainable model of academic excellence that creates well-rounded, lifelong learners, and global citizens.

The Technology Committee will work with MSA staff, students and parents in providing access and instruction on the technology needed to support MSA's curriculum. Technology is no longer just support behind the scenes. Today and in the future, prepared students must be proficient in computer programs used in college classes and the workforce. In addition MSA will strive to give students access to scientific technology such as the Fab Lab.

The Technology Committee will work with the Budget Committee and the Alternative Funding Committee to ensure that technology needs are communicated and a plan is in place to provide funding.

Goals	Support for the Vision	Owner
Sustain and enhance the 1:1 laptop program.	Sustainable Model of Excellence Supported by: <ul style="list-style-type: none"> • MSA Community 	<ul style="list-style-type: none"> • Technology Committee
Provide fixed asset technology for both buildings. This includes adequate Wi-Fi for concurrent use for all staff and students, whiteboards, projectors, telephone system and printers	Sustainable Model of Excellence Supported by: <ul style="list-style-type: none"> • Finance Committee 	<ul style="list-style-type: none"> • Technology Committee
Assist in incorporating technology within coursework whether in support of the subject, or as the subject, such as Computer Programming and Engineering.	Academic Excellence Supported by: <ul style="list-style-type: none"> • Departments • Academics Committee 	<ul style="list-style-type: none"> • Technology Committee • Departments • Academic Committee

Technology (Continued)

Goals	Support for the Vision	Owner
Professional development for staff on what technology is applicable and how to use it.	Academic Excellence Supported by: <ul style="list-style-type: none">• MSA Staff• Departments	<ul style="list-style-type: none">• Technology Committee• MSA Staff
On-going design and upkeep of MSA website.	Sustainable Model of Excellence Supported by: <ul style="list-style-type: none">• MSA Staff• Communication Committee	<ul style="list-style-type: none">• Communication Committee