



2016-2017 Annual Report



MSA's 2017 Graduating Class, the Largest to Date!

Vision

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

Mission

We provide accelerated curricula in all subjects with an emphasis on math and science.



Math and Science Academy

A Minnesota Public Charter School

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Woodbury, Minnesota 55125
651-578-7507
www.mnmsa.org**

2016-2017 ANNUAL REPORT

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

**Submission date:
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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 based on curriculum, standards driven, and collaboratively run. The curriculum places emphasis in the areas of math and science with a balance of humanities. The MSA standard requires that students achieve beyond current state mandates and testing criteria. MSA students are required to complete a math program through calculus and a science program that includes biology, chemistry, physics, as well as one additional science course. Additionally, all students at MSA must take Social Studies and English every year, as well as Spanish through the 11th grade. MSA requires at least one year of high school fine arts, a half year of physical education, and health in the 9th grade. MSA also boasts a music program which includes choir, a string orchestra, and jazz band. In addition, MSA students can enhance their learning experience by participating in a variety of after school activities (see Appendix A).

It is the MSA's policy to provide an 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. Thus far, after sixteen graduating classes, only seven seniors have failed to graduate on time. Moreover, while the state of Minnesota has led the nation in ACT scores in past five years with an average composite of 22.2, the average composite MSA ACT score over the past five years has been 27.9.

In the spring of 2015, the MSA Board of Directors began a review of the mission, vision, and core values of the school. The goal of this activity was to end up with a renewed mission, vision, core values while updating its strategic planning. The Strategic Plan was updated and revised in 2016-17. 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

We provide accelerated curricula in all subjects, with an emphasis on math and science.

Our Core Values

- **Honesty:** MSA's community exhibits fairness, cooperation, integrity, and honesty. MSA students and staff take responsibility for their actions.
- **Community:** MSA maintains small class sizes and a small school feel.
- **Respect:** MSA's community respects others and their views, while fostering a safe environment where every voice is heard, and individuals are free to take risks.
- **Teamwork:** MSA encourages networking, collaboration, and open communication between all members of our community. MSA encourages students, their families, and staff to invest their time and resources to serve the MSA community.
- **Excellence:** MSA continuously evaluates and improves programs to ensure the highest quality in teaching and learning. MSA empowers students to develop independence through organization, time management, and self-discipline.

Governance

MSA is governed by a Board of Directors (BOD) that is comprised of a membership in accord with Minnesota statute and consists of four (4) licensed teachers who are employed by MSA at .5 FTE or above, three (3) parents (or legal guardians) of enrolled students, two (2) community members, 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 BOD elections are normally held each year on the first Tuesday in April (The actual date is set by the BOD on the recommendation of the BOD Election Committee.). Board of Directors are elected for 3 year terms, with three terms expiring each year.

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

The 2016-2017 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
Tim Tydlacka	Chair	Teacher #360146	Jun 2014	Jun 2017	Yes - 1,2
Deb Ledvina	Vice-Chair	Parent Member	Aug 2014	Jun 2017	Yes - 1,2
Mona Hayashi	Treasurer	Parent Member	Jun 2016	Jun 2019	Yes - 1,2,6
Noelle Haland	Secretary	Parent Member	Jun 2015	Resigned Nov 21, 2016 Jun 2018	Yes - 4
Jeana Albers	Secretary	Teacher Member	Jun 2015	Jun 2018	Yes - 4
Mara Bertlesen		Teacher Member	Jun 2014	Resigned Jun 21, 2016 Jun 2017	Yes - 7
Jessie Heydt		Teacher #453570	Jun 2016	Resigned Oct 17, 2016 Jun 2017	Yes - 3
Tom Johnston		Teacher # 426430	Nov 2016	Jun 2017	Yes - 11
Jeff Eng		Parent Member	Dec 2016	Jun 2018	Yes - 9,10,11
Peter Irvine		Community Member	Jun 2015	Jun 2018	Yes - 4
Cheri Howe		Teacher #	Jun 2016	Jun 2019	Yes - 8
Ken Thielman		Community Member	Jun 2016	Jun 2019	Yes - 8
Tori Szondy		Student Representative	Jun 2016	Jun 2017	N/A
John Gawarecki	Director Ex-Officio	School District	N/A	N/A	Yes - 4,5,7
Judith Darling	CFO Ex-Officio	School District	N/A	N/A	Yes - 1

1 Completed Charter School Finance Training August 17, 2014.

2 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - October 14, 2014.

3 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - January 13, 2015.

4 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - August 4, 2015

5 Completed Charter School Board Training Employment in Charter Schools - December 2, 2015.

- 6 Completed Charter School Finance Matters Training, March 14, 2016.
- 7 Completed Charter School Board Training Governance, and Employment Law - April 14, 2016.
- 8 Completed Charter School Board Training: Board Governance, Employment Law. Finance Matters - August 9, 2016.
- 9 Completed Charter School Board Training: Governance – November 29, 2016.
- 10 Completed Charter School Board Training: School Finance – February 27, 2017.
- 11 Completed Charter School Board Training: Governance and Employment in Charter Schools – March 11, 2017.

MSA School Management & Administrative Team

John Gawarecki	Director	
Romelle Pornschloegl	Assistant Director	
Judith Darling	Financial Manager	Beltz, Kes, Darling & Associates
Shannon Froberg	Activities Director	
Ann Knops	Office Manager	
Amanda Stout	Business Clerk	
Joell Pundsack	MARSS/Student Data Coordinator	
Christine Morrison	Office Manager	
Carrie Brookins	School Psychologist	File Folder # 368171
Justin Gehring	Technology Coordinator	

School Director Biography

John Gawarecki was hired as Director of MSA to begin in July 2015. He also serves as an ex-officio member of the MSA Board of Directors. He has a BS, in Natural Sciences and is a licensed Minnesota teacher in Physical Sciences and Coaching (File Folder #361839) and is completing his MA in Educational Administration and pursuing his Superintendent’s license. John has over twenty years of experience in the education field with thirteen years of experience in public charter schools. (See Director Development Plan, Appendix B.)

Teaching Staff Information

For the 2016-2017 school year, 100% of the MSA teaching staff were recognized as highly qualified and fully licensed. To prepare for the 2016-17 school year with three former employees retiring and due to an increase in the special education needs of incoming students, the school hired 8 new staff, which was composed of five new teachers (two which where special education teachers), two new Education Assistants, a business clerk, and a full-time office manager. A list of the courses and electives that are offered to students can be found in Appendix C.

Teacher Staff

Full Name	MN License No.	Licensure Area	Teaching Assignments
Jean Rose Albers	474829	5-8 Science 9-12 Life Sciences	Anatomy 9-12 th grade Biology
Lisa Marie Anderson	369704	7-12 Social Studies	7-9 th grade Social Studies
Markell Carroll Anderson	486511	K-12 English As A Second Language K-12 Spanish	8-12 th Spanish
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
John Burrell	468936	5-8 Science 9-12 Physics	Physical Science Physics
Barbara Brooks Gray	472630	K-12 Emotional Behavior Disorders K-12 Learning Disabilities	8-12 Special Education
Mark Greseth	488183	5-8 Science 9-12 Life Sciences	Life Science Physical Science
Caitlin Ann Kender Harper	480782	5-12 Mathematics	6-9 Mathematics
Cortney Harrity	488089	K-12 Academic and Behavioral Strategist	8-12 Special Education
Amanda Margaret Henkels	484282	5-12 Communication Arts/Literature 7-12 Spanish	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
Cheryl Ann Howe	415900	K-6 Elementary Education 5-8 Science	6-8 th grade Science
Thomas E Johnston	426430	K-12 Physical Education 5-12 Health Education	6-7 Physical Education 6-7 Health
Hannah Kostichka	488152	K-12 Academic and Behavioral Strategist	6-8 Special Education
Michelle Marie Kurkoski	416675	5-12 Social Studies	9-10 th grade Social Studies
Noah Langseth	460701	5-12 Mathematics	6-9 Mathematics
Kassie Lynn Larson	451897	K-12 Spanish	6-8 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
Michelle Nicole Richards	403184	7-12 English/Language Arts	7 th grade English
Catherine Roath	448473	5-12 Social Studies	6-12 Social Studies
Jenna Leeann Rosvold	482486	K-12 Spanish	6-10 Spanish
Rachael Ann Ryan	443271	5-12 Communication Arts/Literature	6 th grade English
Judith Ann Mlinar Seeberger	484500	5-12 Communication Arts/Literature	6-9 English
Jerry Clark Shelton	264285	K-12 Music	6-12 th grade Music
Alousia May Thames	488847	9-12 Life Science 9-12 Chemistry	9-12 Chemistry
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
Bronwen Kendrick Williams	398286	7-12 Mathematics	7-11 th grade Math
Aaron Paul Wojahn	441093	5-12 Mathematics	8-11 Mathematics
Lauren June Zachman	442513	5-12 Mathematics	10-12 th grade Math

Non-Licensed Support Staff

Name	Area of Assignment
Charles Akyigyina	Special Education Assistant
Carrie Cardinal	Special Education Assistant
Tom Church	Special Education Assistant
Debra Fleischhacker	Special Education Assistant
Amanda Froberg	Special Education Assistant
Tom Harper	Special Education Assistant
Michelle Kruse	Special Education Assistant
Ryan Medeiros	Special Education Assistant
Sandy Prouix	Special Education Assistant
Laurie Traxler	Special Education Assistant
Deborah Webster	Special Education Assistant
Jinnan 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

Order of Admission: Siblings of Already Admitted Students, then Children of Teachers Employed at the School, then General Admissions.

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.

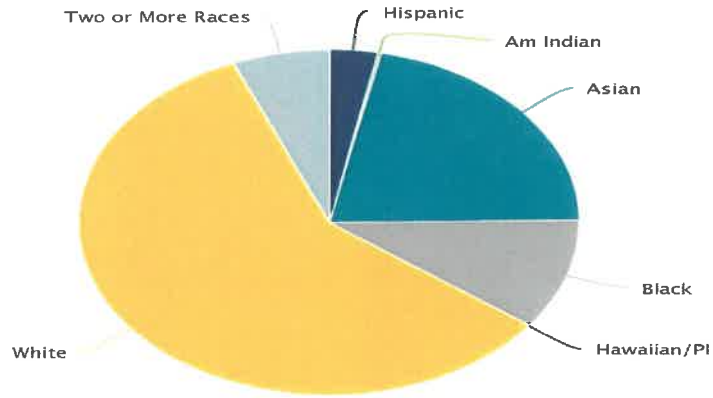
Multiple births (twins, triplets, etc.): Each student seeking admission completes an application (i.e. not one application for the family). In a lottery situation, each student receives an individual number/lot in the lottery.

Lottery Grade Order: Applicable lotteries occur from highest grade to lowest grade.

Student Demographics

Information is taken from the beginning of the 2016-17 school year MARSS report.

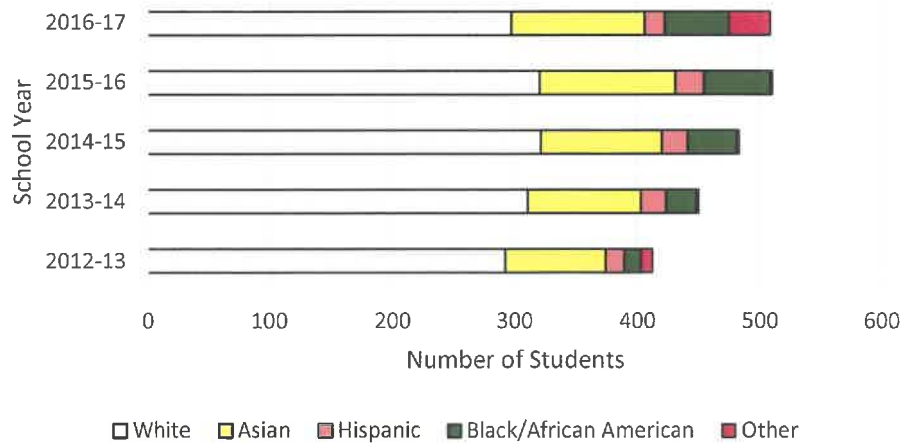
Student Population:	508	
American Indian:	1/508	0.2%
Asian:	109/508	21.5
Hispanic:	16/508	3.1%
Black/African American:	53/508	10.4%
White:	297/508	58.5%
Two or More Races	32/508	6.3%



Special Education:	41/508	8.1%
Free/Reduced Lunch:	25/508	4.9%
Limited English Proficient:	4/508	0.8%

MSA has seen a large rise in its diversity over the past several years. While the number of white students has averaged 308 for the past five years, the number of its Asian population has grown by 27 students since the 2012-13 school year and its Black/African American population has grown by 39 students over the same time period. In the past five school years, MSA has gone from a white student population of 71% to its current level of 58.5%.

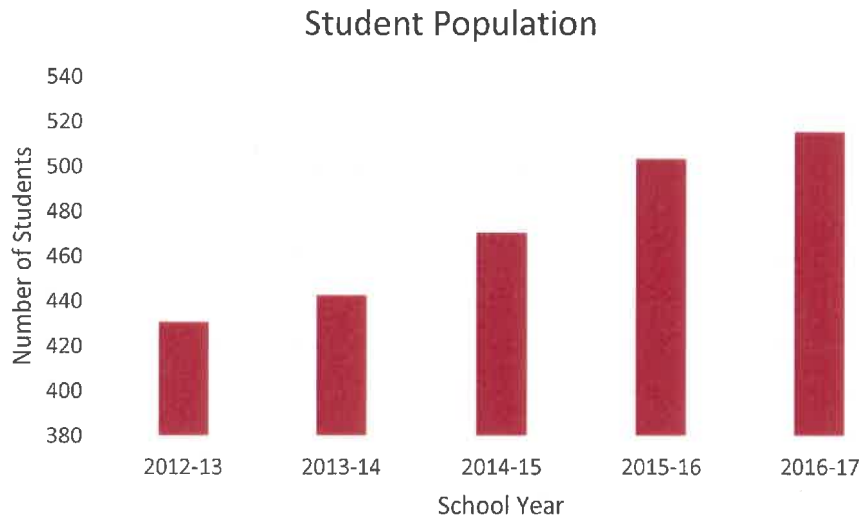
Student Composition



Open Enrollment

MSA is a public charter school that accepts all students for open enrollment in the 6th through 12th grade levels. MSA typically has waiting lists for each of its grades. The enrollment capacity for each grade is set

by the MSA Board of Directors each year. Over the past five years, MSA has seen a continual growth of its student population, with it peaking at 516 students for this year.



Student Enrollment-Related Information

During the school year, MSA continued to see strong interest from families wanting to send their children to the school. The total enrollment increase from 504 in the previous year to 516 by the end of the current school year was greatly influenced by the increase of the senior and junior classes, which made up for a decrease of five students in the sophomore class.

Student Enrollment by Grade Level

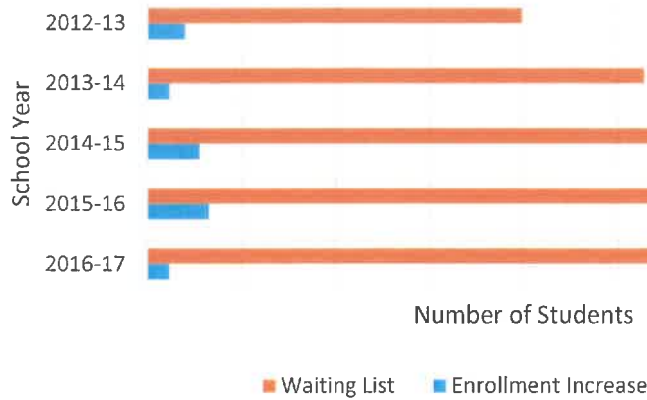
As of June 5, 2017

Grade	6th Grade	7th Grade	8th Grade	9th Grade	10th Grade	11th Grade	12th Grade	Total
Totals	88	88	88	75	62	62	53	516

Waiting List of Students by Grade

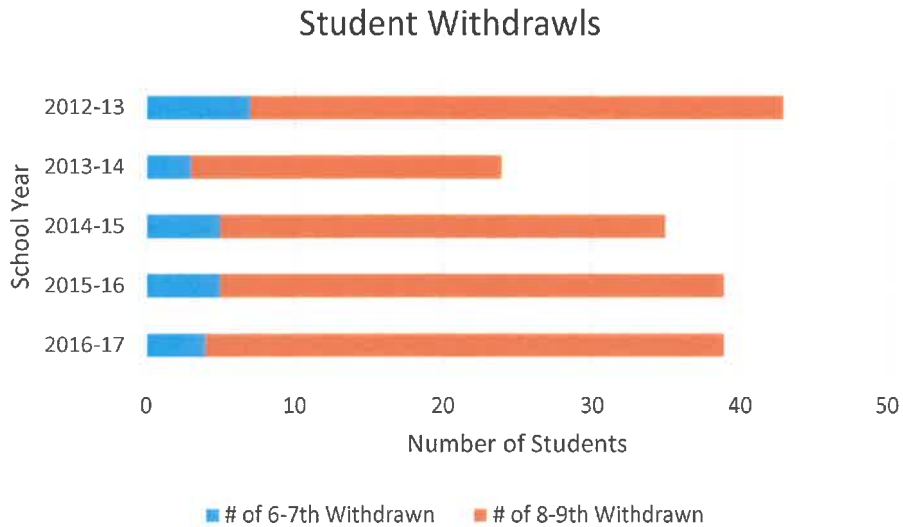
The waiting list in the previous year was 293, and after increasing the MSA student population by 12 for the current year, the waiting list continued to rise. MSA saw an increase of its waiting list by an additional 48 students from the previous year even though it increased its enrollment. The majority of the additional waiting list students were from the sixth and seventh grades, where a total increase of 42 students was observed. The following chart shows MSA’s continued growth in its waiting list, even though it increased its enrollment.

Student Waiting List and Yearly Increase of Enrollment



Withdrawn Students

During the school year, MSA saw a historical continuation in the number of students that withdrew from the school during the 8th and 9th grade students. There were 35 students that withdrew as compared to 34 the year before. The rate of withdraw from the 6th and 7th grade students remained fairly constant as it was reduced from 5 the year prior, to 4 during the current school year.



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

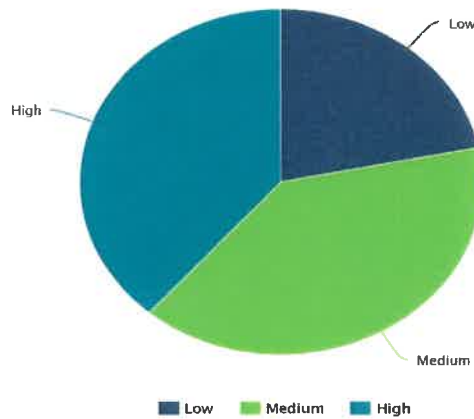
Academic Accountability and Performance Data

During the 2016-17 school year, the Minnesota Department of Education (MDE) started to track school's accountability and performance in several different means. MDE continued to track a school's graduation rate of which MSA continued to have an exceptional rate. MSA graduated 100% of its general education student population. Only one student did not graduate due to a need for transitional services.

MDE also tracked school's growth by looking at the growth of all students along with the growth of students as compiled by last year's student proficiency status. MDE also continued to use the MCAs to track student performance and proficiency at meeting academic standards. The following is a summary of these areas.

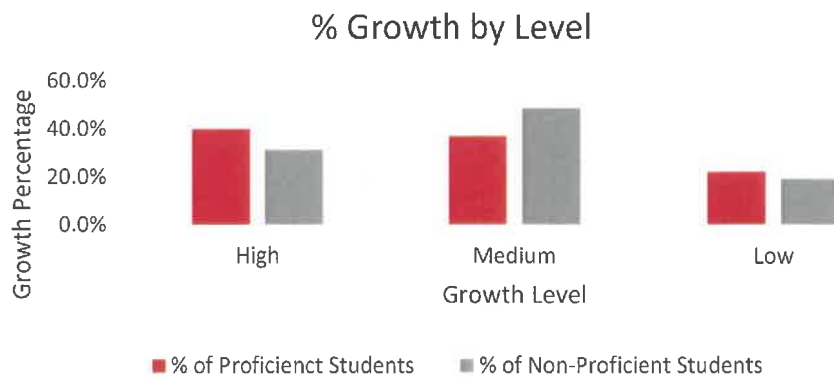
Growth by Students

MSA students displayed a high growth rate when looked at as an entire student body. MSA's students displayed that they were not only growing, but growing at a much higher rate than by the low growth rate, as can be seen on the following graph.



Growth by Previous Year's Proficiency Status for All Students

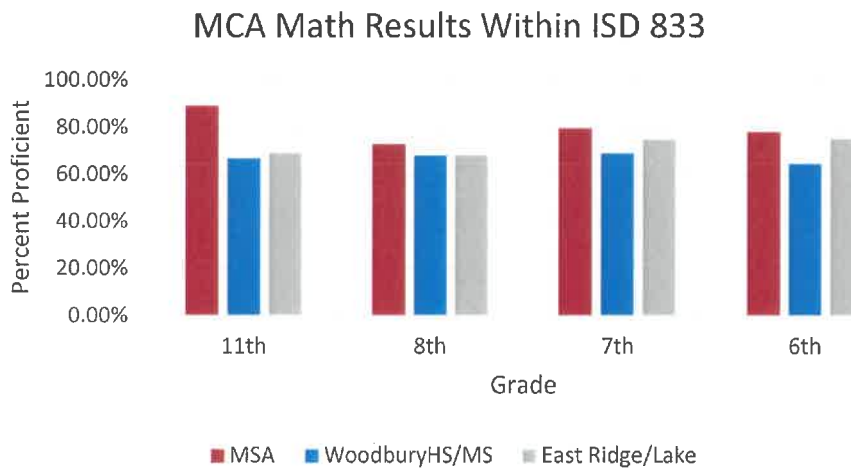
During the 2016-17 school year, MSA's students had a growth level that was much higher than its low growth level. This can be equated into students not just knowing the standard at a modest level, but having a mastery of the material. In each subgroup, MSA students performed at a high level rate that was more than 63% higher than the low level rate.



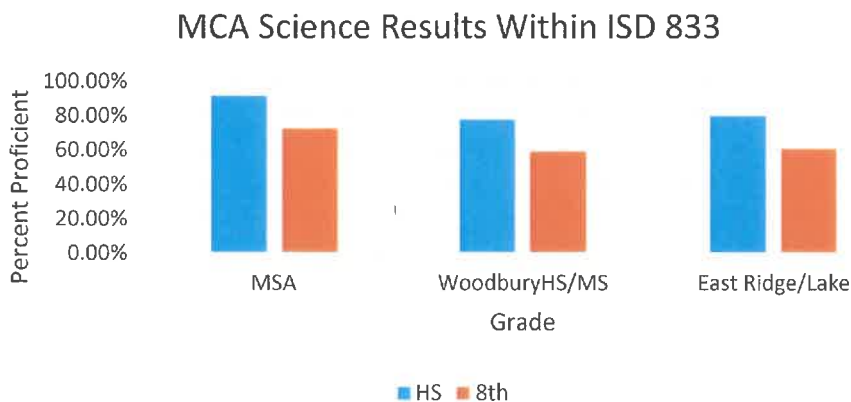
MCA Results

During the past five years, MSA has averaged well over a 20% proficiency rate **above** the state average in Math, Reading, and Science! The 2016-17 school year saw a continuation of this pattern. As you can see from the following comparisons, MSA's MCA results, as compared to the neighboring public schools, offer some very remarkable reflections of student achievement in proficiency rates.

In the area of Math, MSA students in 2016-17 scored proficient or higher by an average of 21.1% higher than the state average! MSA high school students also averaged a proficiency rate that was 20.0% higher than the nearest local high school. MCA results for math in grades 6, 7, and 8 showed that 47.5 % of students exceeded the standard, while 76.8% of the students were proficient or above the standard. 6.8% of the students tested in middle school did not meet the standards. In 11th grade, 89.1% of the students met the standard and 58.2% exceeded standards while 5 students partially met the standard and one student did not meet the standard.

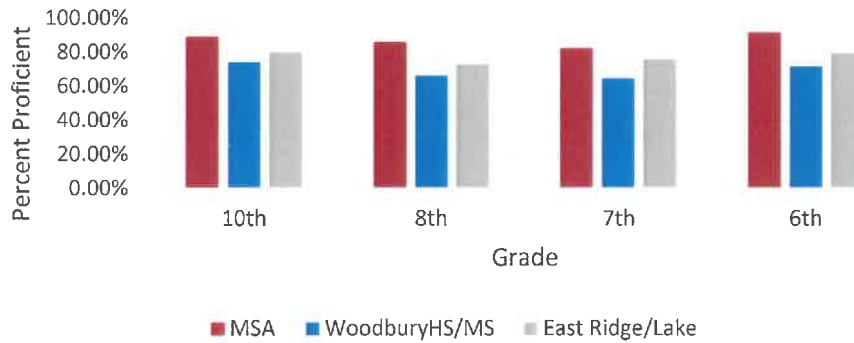


In science, MSA students scored proficient or higher by 28.8% higher than the state average in all MCA Science results. MSA high school students met or exceeded the science standards at a rate that was over 11% higher than the nearest public high school. Of the 73 students that took the test, only 6 students tested in the high school did not meet the proficient level. In the 8th grade 29.5% exceeded the standard as compared to the 1.1% that did not meet the standard.



When looking at reading standards, MSA students scored a proficiency rate that was 9.1% or higher than the nearest public school for any grade. MSA’s high school students were rated at 92% proficient in meeting standards. When looking at all grades tested, 30 students were not at the proficient level (6 were in 10th grade); 281 students were proficient. Of the 281 students who were proficient, 158 students exceeded the standards. Students who exceeded standards represented 49.2% of the student population.

MCA Reading Results Within ISD 833



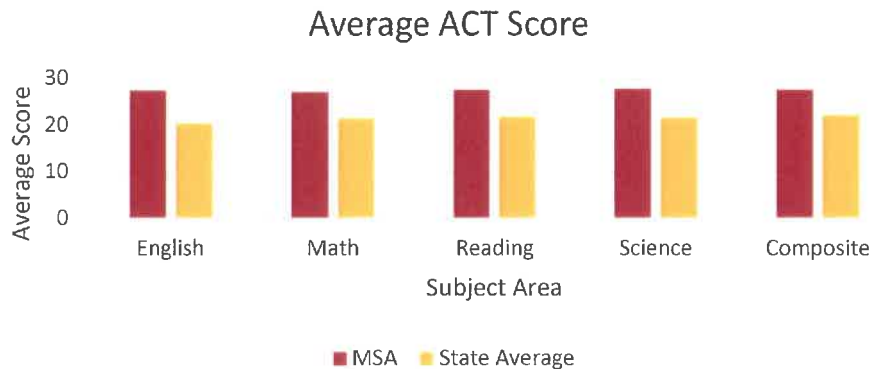
MCA High School Results

When comparing MSA high school MCA results with neighboring high schools and other similar charter high schools, MSA was the only school that was at least 89% proficient in each of the three areas tested. In the following chart, the first number for each subject area is the percent of students who were proficient at the subject’s standards, while the second number is the percent of students who exceeded the standard (E).

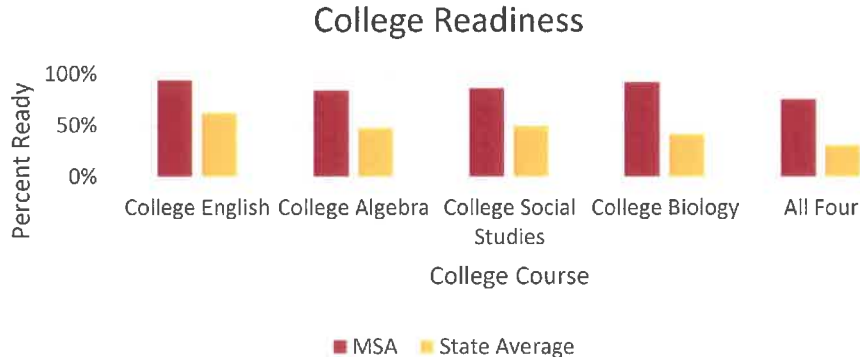
Year	Math (11th)	Reading (10th)	Writing (9th)	Science
2009	91.3%/73.9% E	100%/ 78% E	100%/100%	83.3%/31% E All H.S.
2010	94.1%/94.1%	96.6%/96.6%*	100%/100%	89.4%/34% E All H.S.
2011	96.2%/96.2%	97.1%/76.5% E	100%/100%	82.1%/33% E 8th & 9th
2012	75%/42.9% E	100%/71.4% E	100%/100%	97.7%/55.8% E All H.S.
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.
2016	95.7%/70% E	95.3%/61% E	N/A	91.9%/40.5% E All H.S.
2017	89.1%/58.2% E	89.6%/51.7% E	N/A	91.7%/46.6% E All H. S.

ACT Results

Our most recent ACT results showed consistently high scores, especially when compared to the state average. MSA students taking the test did substantially higher in all subject areas with MSA students scoring an average of 7.1 higher in science. The composite score for graduating seniors on the ACT was a score of 27.5, which is 5.3 points higher than the state average of 22.2.



The combined college readiness percentage, which is a measure that gives an indication of a student's readiness for taking all college courses, was 76% for MSA seniors. MSA's measure was 45% higher than the state average of 31%!



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. MSA had six students qualify for National Merit Scholarships with three reaching the Semifinalist level and one winning a national scholarship.

Juniors in the area of **ERW** (Evidenced based Reading and Writing):

- The average score was 603 on a scale of 160 to 760
- This put the MSA student average in the 90th percentile.

Juniors in the area of **Math**:

- The average score was 612 on a scale of 160 to 760
- This put the MSA student average in the 94th percentile.

Selection Index for Juniors:

- The average score was 1215 on a scale of 320 to 1520
- This put the MSA student average in the 93rd percentile.

10th Grade students in the area of **ERW** (Evidenced based Reading and Writing):

- The average score was 573 on a scale of 160 to 760
- This put the MSA student average in the 86th percentile.

10th Grade students in the area of **Math**:

- The average score was 561 on a scale of 160 to 760
- This put the MSA student average in the 84th percentile.

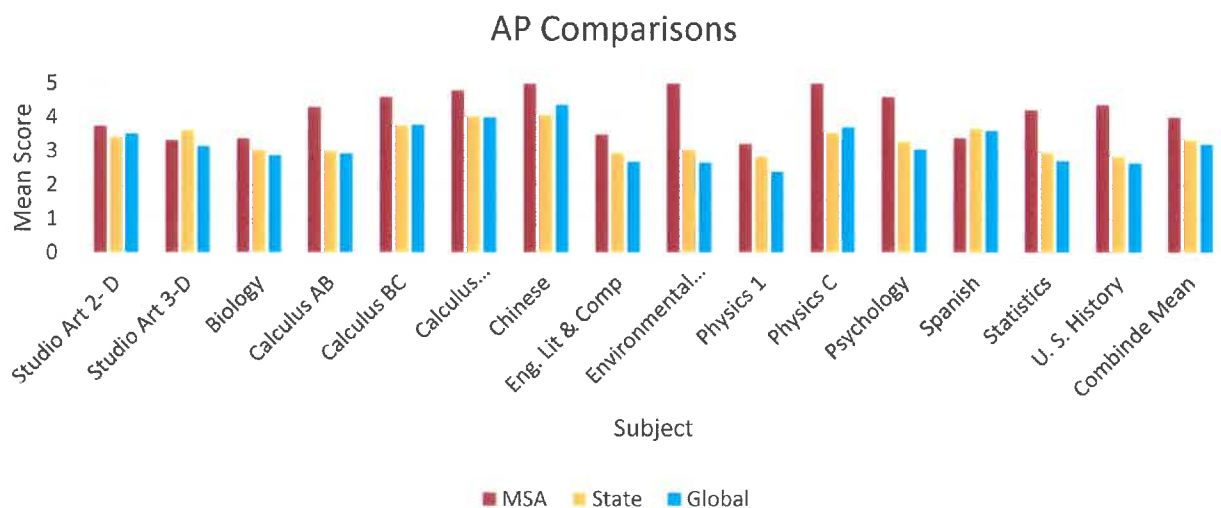
Selection Index for 10th Graders:

- The average score was 1134 on a scale of 320 to 1520
- This put the MSA student average in the 86th percentile.

Advanced Placement (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 93.6% 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 67.4% of MSA students taking AP exams obtained that level. These two percentages reflect some of the highest rates of success that MSA has ever achieved.

MSA students averaged an AP score that outperformed the average state and global average in 13 of the 15 subject areas with Environmental Science showing the greatest difference. MSA students in U. S. History, Psychology, Calculus AB, and Physics C also did exceedingly well when compared to the state and global average.



While MSA students experienced great success taking the AP exams, MSA also had the largest number of AP exams taken this year by its students. Overall, MSA had 141 tests taken this year, as compared to 123 tests taken last year. The number of subject areas increased by three with the addition of Environmental Science, Physics 1, Physics C, Psychology, and Statistics. MSA did not have students taking tests in Chemistry and Human Geography this year.

If you want to look at our students test scores as compared to previous year's performances, you may find this data in Appendix E.

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 girls volleyball team, a Nordic Ski team (for both boys and girls), a boys basketball team, a developing girls basketball program, a girls badminton team, a boys and girls track team, MSHSL FIRST Robotics, as well as club level activities such as boys volleyball, 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. MSA placed several athletes in the MSHSL State competitions this year.

In Girls and Boys Cross Country, MSA had three individuals place at the State Cross Country Meet.



In addition to this, MSA also had two basketball players score their 1000th point during the same game and the team won the TCAC Division 2 Championship!



Along with all the events sponsored by MSA, MSA also partners with the YMCA to offer a before school program for grades 6-8 and for grades 9-12, MSA offers a before school study hall. Both of these programs operate from 7:00am to 9:00 am on days school is in session.

To assist students who might need additional assistance, MSA offers several opportunities for students to utilize. The Link Crew is a high school activity that mentors middle school students to aide in transitioning into MSA. The National Honor Society offers a tutoring service for students who are identified by their teachers as needing assistance in individual subject areas. MSA also began to offer an extended day program from 4:00pm to 5:00 pm for students who need additional assistance in subject areas and it is taught by licensed school teachers. This program was implemented during the second semester with 55 students taking advantage of the program by year's end.

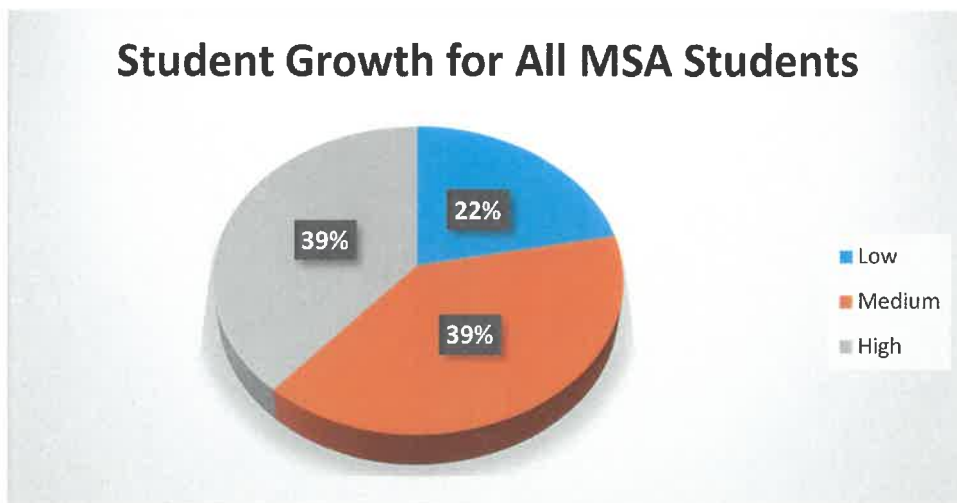
Operational Performance

MSA has a demonstrated record of providing a rigorous and successful education program for all students. Due to the relatively small size of MSA's identifiable groups, it has been less relevant to disaggregate our student data within the typical demographic categories of ethnicity, or educational programs. One of the advantages of our small class sizes is that MSA staff are able to sufficiently use individual student data to track each student's progress. It is our practice to specifically identify and address the needs of individual students not making adequate progress. MSA World's Best Workforce Report can be found in Appendix F.

In addition to each teacher conducting individual tracking, teachers attend monthly meetings where teachers of the same grade level students share their observations of students who are of concern in their classroom so that common trends can be identified and addressed. Students identified during these meetings as having multiple concerns are then entered into an additional support program initiated by one of the concerned teachers.

Student Growth & Student Group Performance

With the new MDE model for tracking growth, MSA growth results show a growth rate that is balanced between the High and Medium rate for all students. Combined, these growth results are at a rate that is 3.5 times higher than the low growth of students.



Due to small sample sizes of student cell groupings, MSA has only two cell groupings, Asian, and Black/African American, that it can breakdown its results into. When these cells are looked at, MSA excels in its results as compared to the state average.

While looking at MSA’s fastest growing group, Asians, we see that MSA students are exceeding the state level on all measured subjects. MSA students are exceeding the level for Math at a rate that is 2.5 times that of the state level. In Reading, MSA student rates of exceeding the subject are 38.2% higher than the state level. While looking at Science, we see that MSA is exceeding the state level by 28.9%.

The following charts show MSA’s Achievement Levels for all of its Asian students tested in the past year in each discipline area along with the state achievement levels.

Math Achievement Levels

	Exceeds	Meets	Partially	Does Not Meet
MSA	45.2%	42.5%	9.6%	2.7%
State	18.1%	35.0%	20.6%	26.3%

Reading Achievement Levels

	Exceeds	Meets	Partially	Does Not Meet
MSA	64.9%	19.5%	11.7%	3.9%
State	26.7%	30.4%	20.3%	22.6%

Science Achievement Levels

	Exceeds	Meets	Partially	Does Not Meet
MSA	53.0%	33.5%	10.8%	2.7%
State	24.1%	31.5%	20.6%	23.8%

All MCA Achievement Levels

	Exceeds	Meets	Partially	Does Not Meet
MSA	42.9%	45.7%	11.4%	0.0%
State	14.2%	33.3%	26.0%	26.6%

88.6% of MSA Asian students are meeting or exceeding on all three achievement levels as compared to the state average of 47.5%, a tremendous difference of 41.1%!

MSA’s second fastest cell group had enough students in it to collect data and compare it with state data as well. MSA’s Black/African American cell displayed similar results to its other students in that they exceeded state averages. When all tests were taken into account, this cell of MSA students exceeded at a rate **more than 3.5 times** that of the state average. If we look at how MSA’s Black/African American students did in meeting and exceeding all levels, MSA’s students did so at a rate that was **over two times** that of the state average.

The following charts display how MSA’s Achievement Levels for all of its Black/African American students compared to other Black/African American students across the state.

MCA Math Achievement Levels

	Exceeds	Meets	Partially	Does Not Meet
MSA	18.8%	40.6%	31.3%	9.4%
State	7.3%	21.9%	22.9%	48.0%

MCA Reading Achievement Levels

	Exceeds	Meets	Partially	Does Not Meet
MSA	32.4%	37.8%	27.0%	2.7%
State	6.8%	27.2%	21.7%	44.3%

MCA Science Achievement Levels

	Exceeds	Meets	Partially	Does Not Meet
MSA	11.8%	47.1%	29.4%	11.8%
State	3.7%	20.0%	23.9%	52.4%

All MCA Achievement Levels

	Exceeds	Meets	Partially	Does Not Meet
MSA	23.3%	40.7%	29.1%	7.0%
State	6.5%	23.8%	22.6%	47.2%

Because of the number of students in each of MSA’s previous graduating classes did not contain a large enough quantity of any group cell members, MSA does not have specific graduation data concerning each of

these areas as that cell compares to the student body as a whole. Last year, MSA did, however, graduate all of its students who comprised these cells.

When MSA looks at the growth of their students as segregated by last year's proficiency status, it shows that the non-proficient students had an overall growth that was higher than the proficient group. 80.7% of the non-proficient students had either medium or high growth as compared to 77.5% of the proficient students having medium or high growth. The following charts show the composition of each group.



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, 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 G). For this year's survey, we added several additional questions from last year's survey. The participation of the survey was slightly lower than the three year average of 147 participants, as 139 participated in the survey. The first part of the survey was kept the same so that the data could be compared to previous years.

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 English curriculum leading the ratings with 79.41% of parents identifying the program as above average or exceptional, while the math curriculum was slightly behind with 75.37% of parents identifying the program as above average or exceptional. The science curriculum dropped 5.43% from last year's results, but still had a rating of 64.92% of parents stating it as above average or exceptional.

In the area of school functioning, parents continued to rate the academic rigor of the courses as the highest area followed by student safety. The area that received the lowest rating of the areas identified continued to

be extra-curricular activities, which is the top reason why students leave the school. MSA cannot provide the same quantity of activities that the two larger public high school offer. When asked how often they contacted school personnel, over 75% of the responding parents stated they contacted school personnel at least on a weekly basis. Of the parents returning a survey, over 97% said they were satisfied with the school and would not withdraw their student. 77.22% of parents stated that they were satisfied, or very satisfied with MSA overall.

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. This year's staff development focused on non-fiction reading and the integration of the ideas presented during sessions into the classroom. An increase in our course variety and adding new electives and more AP classes was implemented (see Appendix C).

Future Plans and Program Challenges

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

Our biggest challenges are:

1. Financial – maintaining a sustainable school for years to follow. Future years will bring higher salaries and benefits than what the state and federal funds supply. How do we meet this need?
2. Providing diverse course offerings with limited classroom space available. MSA utilizes over 95% of its classroom space throughout the day. Finding space for meetings during the school day is a challenge.
3. Maintaining our academic rigor and success while meeting the needs of a growing population of higher needs students with lower academic capabilities.
4. Retaining our students from middle school to high school. MSA tends to lose a majority of students during this transition due to a lack of activities and its size.
5. Providing alternatives for our students before the beginning of the school day while maintaining the safety and security of everyone at MSA.
6. Finding parking space for our students who live outside of the busing area and for our PSEO students who need to return to campus for classes.

Finances

The **FY17 Audit** was conducted during July 2017, and was presented at the September 2017 Board of Directors meeting. The audit results are included in Appendix I.

Fund Balance: The School had another positive year financially as the fund balance in the General Fund increased by over one hundred and thirty thousand dollars. The ending fund balance total was over two million dollars representing just over 40% 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 I for a copy of the 2016-2017 financial statements, which are contained within the annual audit.

MSA's Long Range Budget Plan can be located in Appendix J and reflects a budget that has allowed for continued modest student growth while maintaining a positive fund balance. In the year school year 2019-20, it is projected that MSA could have an operating debt if an additional teacher is added during the time period. MSA is projecting a positive budget for the next two years with little student growth.

Strategic Plan

MSA's BOD spent numerous hours looking at the Vision, Mission, Core Values, and Strategic Plan. While the Mission statement did not change, there was a move in the Vision of the school to focus on the math and science academic focus of the school. During discussions, it was also determined that the Core Values needed to be updated to more accurately reflect the values of the school. Finally, the BOD decided to make the Strategic Plan more reflective of its new Vision and Core Values. A copy of the new Strategic Plan can be found in Appendix K.

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	JOHN GAWARECKI
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

ATHLETIC OPPORTUNITIES

FALL

Cross Country
Girls' Volleyball
Soccer
Skeet Shooting

WINTER

Boys' Basketball
Girls' Basketball
Nordic Ski

SPRING

Track grades
Girls' Badminton
Boys' Volleyball
Trap Shooting
Baseball

SUMMER

Conditioning grades
Open Gym Basketball
Open Gym Volleyball

Clubs and Activities

Writing Club
Africa Club
Art Club
Asian Club
Puzzle and Game Club
Earth Club
Lego League
Academic Triathlon
Geography Bee
Spelling Bee
Science Bowl
Math League
Spanish Club
Link Crew
Y-Care before school
Computer Club
Chess Club
Battle of Books
GSA

LETTERING OPPORTUNITIES NON-ATHLETIC

Newspaper
Student Council
Robotics
Debate
Speech
Academic
Community Service
Drama
Choir
Orchestra
Band
Social Justice
National Honor Society
Yearbook

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.

Plan	Results	Next Year's Goal
<i>INSTRUCTION AND ASSESSMENT</i>		
<p>Hold at least two stakeholder/community meetings on curricula (math, science, or others TBD).</p> <p>Develop a World's Best Workforce (WBWF) plan and give at least two updates to the BOD.</p> <p>Develop an intervention plan for students who struggle academically (a "safety net) that is school wide (i.e. regular teacher hours for help, tutoring program, etc.).</p>	<p>The Science Department presented to the community in the fall. Due to the low turnout, the Spanish Department spring presentation was postponed until next year.</p> <p>BOD was given two updates on the WBWF, one in the fall and another one in the spring. Presentation was given to the community.</p> <p>8 staff meetings were held to identify students in need of interventions. Students were offered extended day tutoring, LINK and NHS tutoring programs were offered as well as requiring teachers to post office hours for student assistance.</p>	<p>Hold at least two stakeholder/community meetings on curricula (math, science, or others TBD).</p> <p>Implement at least three unique community-building events or activities for parents, students and staff.</p> <p>Develop an intervention plan for students who struggle academically, <i>especially transfer students</i> (a "safety net) that is school wide (i.e. regular teacher hours for help, tutoring program, etc.), and communicate the existence of this plan to the school community and include in MSA's student and parent handbooks.</p>

Plan	Results	Next Year's Goal
<i>HUMAN RESOURCES AND PERSONNEL MANAGEMENT</i>		
<p>Develop measurable, annual goals for the Activities Director, Assistant Director, and Academic Counselor. Communicate these goals to the Board by the November, 2016 Board meeting and give the Board updates on progress made toward the Goals at every Board meeting.</p> <p>Collect school community (students, parents, and staff) satisfaction feedback (survey) to monitor community</p>	<p>Goals were given to the BOD by November. Updates were given sporadically, when requested by BOD members.</p> <p>Survey was conducted and feedback was given to the BOD.</p>	<p>Develop measurable, annual goals for the Assistant Directors and Academic Counselor. Communicate these goals to the BOD by the November, 2017 BOD meeting and give the BOD updates on progress made toward the goals at every BOD meeting.</p> <p>Collect school community (parents and staff) satisfaction feedback (survey) mid-year and at the end of</p>

<p>satisfaction with MSA’s administrative team (Assistant Director, Academic Counselor, and Activities Director.)</p> <p>Develop an easy way for parents, students, and staff to report wrongdoing; that will be anonymous by January 30, 2017. Similar to <i>ASK GLAEDR</i>.</p>	<p>Created TELL GLAEDR and placed it on the school website for anyone in the community to report wrongdoing anonymously.</p>	<p>the year to monitor community satisfaction with MSA’s administrative team (Assistant Directors and Academic Counselor)and the school’s culture and climate (i.e. are needs being met, are there areas needing improvement, what is going well, etc.). At least 85% of all parents and staff returning the survey will indicate overall satisfaction with Math and Science Academy. Report results to the BOD and develop a formal plan to address those noted in 10% or more of returned surveys. Progress toward the plans will be documented on an annual basis.</p> <p>Monitor <i>Tell Glaedr</i> and report received complaints and their resolutions quarterly.</p>
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Plan	Results	Next Year’s Goal
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FINANCIAL MANAGEMENT

<p>Develop an overall fundraising plan for the school by February, 2017.</p> <p>Develop a plan for planned and anticipated capital expenditures (buildings, grounds, etc.) and present to the BOD by April, 2017.</p>	<p>Fundraising plan was presented to the BOD. Goal was to raise \$200,000 school wide, with \$100,000 coming from the AFC.</p> <p>Plan was presented to the BOD and plan for summer activities was presented and conducted.</p>	<p>Develop guidelines with the BOD and AFC for an overall fundraising plan, as well as report overall fundraising progress to the BOD in June, 2018.</p> <p>Develop a plan based on the results of the capital assessment report for planned and anticipated capital expenditures (buildings, grounds, etc.) and present progress to the BOD by April, 2018.</p>
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Plan	Results	Next Year’s Goal
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LEGAL AND COMPLIANCE MANAGEMENT

<p>Develop a graphic describing the “chain of command/communication” for issues arising from the school community and post on school website.</p> <p>Utilize the charter mentor panel of MACS to gain expertise in general supervision/management (how to delegate and how to manage priorities and time are desired skills to seek).</p>	<p>Graphic of general education and special education chain of communication graphics were developed and posted onto the website.</p> <p>Attended MACS director cohort meetings regularly along with regional meetings.</p>	<p>Employ Kraus-Anderson to conduct one mid-year climate assessment for teachers and one mid-year climate assessment for administration.</p> <p>Employ Kraus-Anderson to conduct a climate assessment quarterly for the Special Education department. Report results to the BOD and develop a plan to address any issues in a timely manner.</p>
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Plan	Results	Next Year's Goal
<i>BOARD, AUTHORIZER AND COMMUNITY COMMUNICATION</i>		
<p>Report to the BOD on progress made toward meeting goals in Authorizer (SAM) contract at least once.</p> <p>Attend at least three parent team meetings. Present a formal "Q and A with the Director" at each of these meetings.</p> <p>Maintain Advanced Placement (AP) course offerings. Report status to the Board biannually (Spring of 2017 and Fall of 2017).</p>	<p>Reported to the BOD in June on the progress that MSA made towards meeting our contract goals.</p> <p>Attended all parent team meetings and answered all questions that were directed to me.</p> <p>Reported status of course offerings to the BOD with recommendations for next year's offerings with addition of Chemistry.</p>	<p>Raise BOD awareness of SAM contract goals.</p> <p>Attend at least three parent team meetings. Present a formal "Q and A with the Director" at each of these meetings.</p> <p>Maintain Advanced Placement (AP) course offerings. Report status to the Board biannually (Spring of 2018 and Fall of 2018)</p>

Elective Choices Middle School (6-8th Grade)

6th Grade

7 class periods with one full year elective choice or two every other day classes.

Electives Offered Next Year

Art (every other day)

Study Skills (every other day)

World of Music/Drumming (every other day)

Students not taking Band will be added to this class.

Concert Band (year-long)

Core Classes (year-long)

Math (6th grade math, Pre-Algebra, or Algebra I)

Life Science

MN Studies

Physical Education every other day with an elective

Spanish 6

English 6

7th Grade

7 class periods with one full year elective choice or two semester classes.

Electives Offered Next Year

Concert Band (year-long)

Art & Technology (semester)

Possible New Electives

Poetry (semester)

Science Fiction (semester)

Creative Writing (semester)

Core Classes (year-long)

Math (Pre-Algebra, Algebra I, or Algebra II)

Earth Science

US Studies

Physical Education every other day with Health

Spanish 7

English 7

8th Grade

7 class periods with one full year elective choice or two semester classes.

Electives Offered Next Year

Wind Band (year-long)

Art & Technology (semester)

Engineering (semester)

Geometry (year-long)

Prerequisite: must have passed Algebra II

Possible New Electives

Poetry (semester)

Science Fiction (semester)

Creative Writing (semester)

Core Classes (year-long)

Math (Algebra I, Algebra II, or Algebra III)

Physical Science

Global Studies

Physical Education every other day with Art 8

Spanish I

English 8

Elective Choices High School (9-12th Grade)

9th Grade

7 class periods with one full year elective choice or two semester classes.

Electives Offered Next Year

Geometry (year-long)

Prerequisite: must have passed Algebra II

Wind Ensemble

Wind Ensemble on-line

Choir (year-long before school) - credit

Symphony Orchestra (year-long after school) – credit

Drawing (semester)

Painting (semester) *Prerequisite: Drawing*

Digital Visual Communication I (semester)

Digital Visual Communication II (semester)

Prerequisite: Digital Vis I

Sculpture & Craft (semester)

Ceramics (semester)

Prerequisite: Sculpture & Craft

AP Art Studio (year-long)

Prerequisite: one year of high school art
Study Hall (year-long or semester)

Possible New Electives

Science Fiction (semester)

Study Skills (year-long)

Expository Reading (semester)

Speech (semester)

Computer Science & Literacy (semester)

HTML Website Design (semester)

Personal Finance (semester)

10th Grade

7 class periods with two full year elective choices or four semester classes.

Electives Offered Next Year

Geometry (year-long)

Prerequisite: must have passed Algebra II

Wind Ensemble

Wind Ensemble on-line

Choir (year-long before school) - credit

Symphony Orchestra (year-long after school) – credit

Drawing (semester)

Painting (semester) *Prerequisite: Drawing*

Digital Visual Communication I (semester)

Digital Visual Communication II (semester)

Prerequisite: Digital Vis I

Sculpture & Craft (semester)

Ceramics (semester)

Prerequisite: Sculpture & Craft

Research Writing (semester)

Composition for Real Life (semester)

AP Art Studio (year-long)

Prerequisite: one year of high school art

AP Biology (year-long)

Prerequisite: Biology

Anatomy & Physiology (year-long)

Study Hall (year-long or semester)

AP Calculus I

Possible New Electives

Science Fiction (semester)

Expository Reading (semester)

Speech (semester)

Computer Science & Literacy (semester)

HTML Website Design (semester)

Personal Finance (semester)

11th and 12th Grade

7 class periods with two full year elective choices or four semester classes; possibly more elective options for 12th grade students.

Electives Offered Next Year

Wind Ensemble

Wind Ensemble on-line

Choir (year-long before school) - credit

Symphony Orchestra (year-long after school) – credit

Drawing (semester)

Painting (semester) *Prerequisite: Drawing*

Digital Visual Communication I (semester)

Digital Visual Communication II (semester)

Prerequisite: Digital Vis I

Sculpture & Craft (semester)

Ceramics (semester)

Prerequisite: Sculpture & Craft

Research Writing (semester)

Composition for the Real World (semester)

AP Art Studio (year-long)

Prerequisite: one year of high school art

AP Biology (year-long)

Prerequisite: Biology

Anatomy & Physiology (year-long)

Study Hall (year-long or semester)

Geometry (year-long)

Prerequisite: must have passed Algebra II

AP Calculus I (year-long)

AP Calculus II (year-long)

AP Statistics (year-long)

AP Literature & Composition (year-long)

AP US History (year-long)

AP Spanish Language & Culture (year-long)

AP Chemistry (year-long)

Prerequisite: Chemistry

Bio Med *Prerequisite: Chemistry*

Possible New Electives

Science Fiction (semester)

Expository Reading (semester)

Speech (semester)

Computer Science & Literacy (semester)

HTML Website Design (semester)

Personal Finance (semester)

AP Physics (if not offering CIS Physics)

AP Requirements

Students must fulfill at least **two** of the three following requirements to qualify for AP classes.

1. The student's most recent year-end grade in the subject area is a B- or higher.
2. The student has a composite (average) PSAT percentile of 70% or higher.
3. The student has the approval of the AP course instructor.

9th Grade Core Classes

Math (Alg II, III or Pre-Calculus)

Biology or AP Biology

Ancient World History

PE every other day with Health

Literature & Composition

Spanish II

10th Grade Core Classes

Math (Alg III, Pre-Calc, Calc or AP Calc)

Chemistry

Modern World History

British World Literature

Spanish III

11th and 12th Grade Core Classes

Math (Pre-Calc, Calc or AP Calc)

Physics

American History

Political Science (semester)

Economics (semester)

Spanish Lit & Conv

American Literature (*check with guidance counselor for English requirements*)

Enrollment Statistics from 2012-13 to 2016-17 (As of June 30, 2017)

Student Enrollment					
	2012-13	2013-14	2014-15	2015-16	2016-17
Grade Level	Student Count	Student Count	Student Count	Student Count	Student Count
6th Grade	89	88	79	85	88
7th Grade	89	88	90	84	88
8th Grade	89	88	87	88	88
9th Grade	55	72	74	74	75
10th Grade	36	51	61	67	62
11th Grade	45	32	50	56	62
12th Grade	28	24	30	50	53
TOTAL	431	443	471	504	516

Waiting List					
	2012-13	2013-14	2014-15	2015-16	2016-17
Grade Level	Student Count	Student Count	Student Count	Student Count	Student Count
6th Grade	123	119	152	124	146
7th Grade	62	71	74	67	87
8th Grade	0	32	25	44	44
9th Grade	0	25	44	43	41
10th Grade	10	11	3	7	11
11th Grade	4	6	2	8	9
12th Grade	0	0	2	0	3
TOTAL	199	264	302	293	341

Declined Acceptance					
	2012-13	2013-14	2014-15	2015-16	2016-17
Grade Level	Student Count	Student Count	Student Count	Student Count	Student Count
6th Grade	21	16	23	11	17
7th Grade	7	0	0	0	7
8th Grade	13	0	7	0	11
9th Grade	20	0	16	12	18
10th Grade	0	0	3	2	3
11th Grade	4	0	3	8	0
12th Grade	0	0	3	0	0
TOTAL	65	16	55	33	56

Students Withdrawn					
	2012-13	2013-14	2014-15	2015-16	2016-17
Grade Level	Student Count	Student Count	Student Count	Student Count	Student Count
6th Grade	3	3	2	1	2
7th Grade	4	0	3	4	2
8th Grade	27	17	23	23	7
9th Grade	9	4	7	11	28
10th Grade	1	2	2	7	14
11th Grade	1	1	2	0	3
12th Grade	0	0	0	0	0
TOTAL	45	27	39	46	56

Test Scores and Annual Comparisons

MCA Test Results

Year	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 & 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.
2016	95.7%/70% E	95.3%/61% E	N/A	91.9%/40.5% E All H.S.
2017	89.1%/58.2% E	89.6%/51.7% E	N/A	91.7%/46.6% E

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

Average ACT Test Scores

	English	Math	Reading	Science	Composite
2013	29.4	26.9	27.9	27.3	28
2014	28.2	26.5	25.0 L	25.4	26.4
2015	29.5 H	28.7	28.6	28.0	28.8
2016	28.8	27.8	28.6	28.4 H	28.5
2017	27.5	27.1	27.6	27.8	27.6
State Average	20.4	21.5	21.8	21.6	22.2

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

	College English	College Algebra	College Social Studies	College Biology	All Four
2013	100%	82% L	93%	93%	82%
2014	100%	91%	74%	87%	65%
2015	100%	97%	87%	97%	87%
2016	98%	90%	90%	92%	86%
2017	95%	85%	87%	93%	76%
State Average	63%	48%	50%	42%	31%

AP Test Results

Subject	# scoring a 5	# scoring a 4	# scoring a 3	# scoring a 2	# scoring a 1	Mean Score	# of Students	% with 3 or higher	% with 4 or higher	State Mean	Global Mean
Studio Art 2-D	1	1	2	0	0	3.75	4	100.0%	50.0%	3.42	3.53
Studio Art 3-D	1	0	1	1	0	3.33	3	66.7%	33.3%	3.62	3.15
Biology	3	7	17	2	0	3.38	29	93.1%	34.5%	3.05	2.89
Calculus AB	18	8	2	0	0	4.57	28	100.0%	92.9%	3.01	2.93
Calculus BC	11	2	2	0	0	4.60	15	100.0%	86.7%	3.76	3.78
Chinese	1	0	0	0	0	5.00	1	100.0%	100.0%	4.07	4.38
Eng. Lit & Comp	2	4	5	0	1	3.50	12	91.7%	50.0%	2.95	2.69
Environmental Science	1	0	0	0	0	5.00	1	100.0%	100.0%	3.05	2.67
Physics 1	0	5	1	3	0	3.22	9	66.7%	55.6%	2.85	2.40
Physics C	1	0	0	0	0	5.00	1	100.0%	100.0%	3.55	3.71
Psychology	6	4	0	0	0	4.60	10	100.0%	100.0%	3.29	3.06
Spanish	1	0	4	0	0	3.40	5	100.0%	20.0%	3.68	3.61
Statistics	12	6	3	2	0	4.22	23	91.3%	78.3%	2.96	2.72
U. S. History	5	2	0	1	0	4.38	8	87.5%	87.5%	2.85	2.65
Total	58	37	37	8	1	4.01	141	93.6%	67.4%	3.07	2.94

World's Best Workforce Report

In addition to evaluating the school's performance based on Authorizer goals, MSA has also identified five additional goals as part of our World's Best Workforce plan. Our goals include continuing to identify, evaluate, and provide ELL services to those students in need, increase combined math proficiency from 82% to 85%, increase proficiency rates for Asian students to 89%, maintain reading proficiency at 88% or higher, and have an average composite ACT score of 28.

English Language Learners

During the 2016-2017 school year, MSA identified, evaluated, and serviced five English Language Learners (ELL). Students were identified by teachers during monthly "Child Find" meetings. If concerns persisted, students were evaluated using the WIDA Screener and Access Tests. Following the evaluation stage, MSA typically used a "push in" method of services where an ELL teacher would attend class with a student to provide services in an area of need.

Math Proficiency

For the 2016-2017 school year, MSA's overall math proficiency score fell from 82% to 79%, due mainly to proficiency scores for 8th grade at 73%. 11th grade math proficiency for the 2016-2017 school year was 89%.

Achievement Gap

While MSA's overall math proficiency dropped from the previous year, we made great strides with the achievement gap of Asian students. For the 2015-2016 school year, Asian students had a combined proficiency of 76%. MSA was successful in raising the proficiency rate for Asian students to 92% for the 2016-2017 school year, an increase of 16%!

Reading Proficiency

For the 2016-2017 school year, MSA kept its combined proficiency rate for all grades at 88%, meeting our goal in the process. During the year, MSA focused its professional development on non-fiction reading. This focus played a key role in helping MSA keep its reading proficiency at 88%.

ACT

For seniors who took the ACT, our average composite score for the 2016-2017 school year was 27.5, still well above the national average of 21 and Minnesota state average of 21.5.

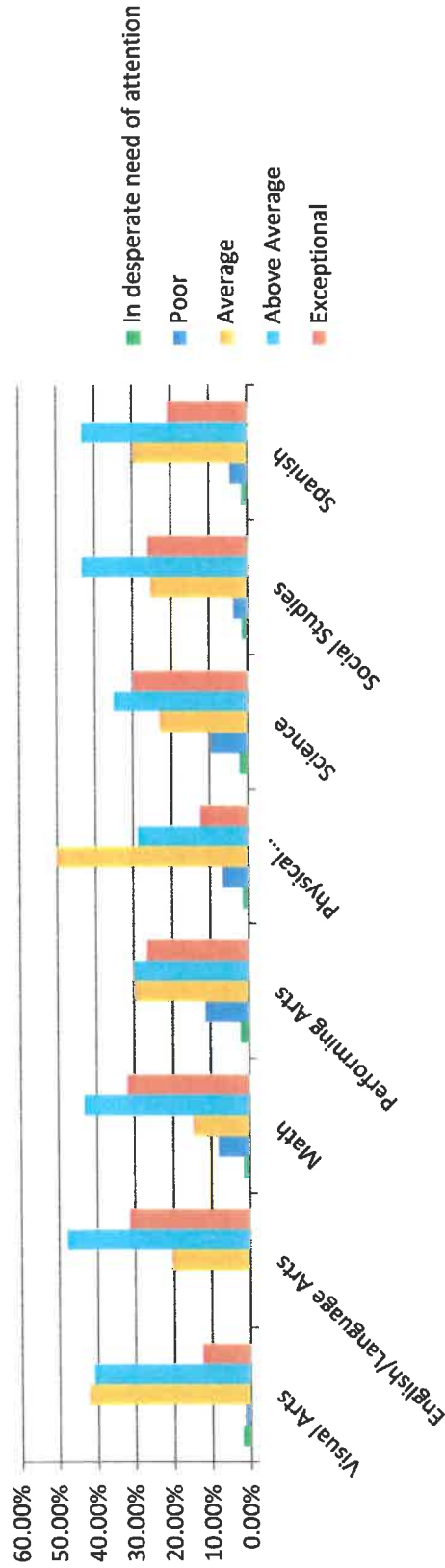
2016-17 School Year Parent Survey

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

	In desperate need of attention	Poor	Average	Above Average	Exceptional	Total
Visual Arts	2.24%	3	42.54%	57	12.69%	134
English/Language Arts	0.00%	0	20.59%	28	31.62%	136
Math	1.49%	2	14.93%	20	32.09%	134
Performing Arts	2.29%	3	29.77%	39	26.72%	131
Physical Education/Health	1.48%	2	50.37%	68	12.59%	135
Science	2.24%	3	23.13%	31	29.85%	134
Social Studies	1.49%	2	25.37%	34	26.12%	134
Spanish	1.49%	2	29.85%	40	20.90%	134
					Answered	137
					Skipped	1

Parent Survey

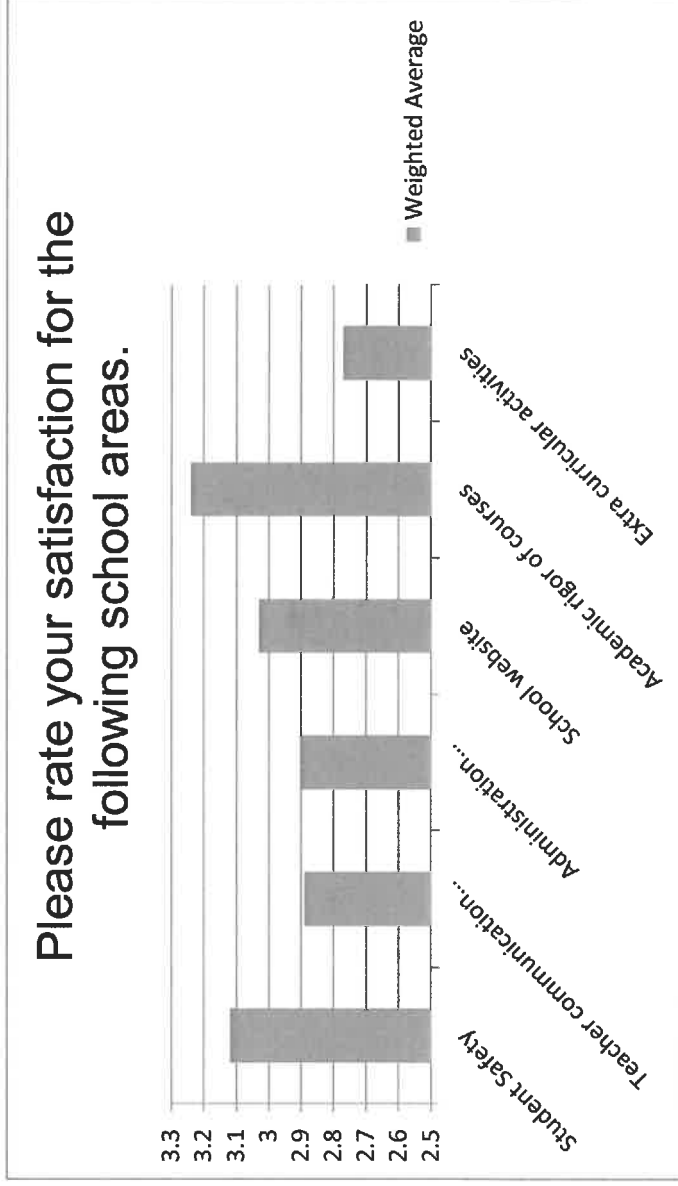
How would you rate MSA's curriculum offerings in the following areas?



2016-17 School Year Parent Survey

Please rate your satisfaction for the following school areas.

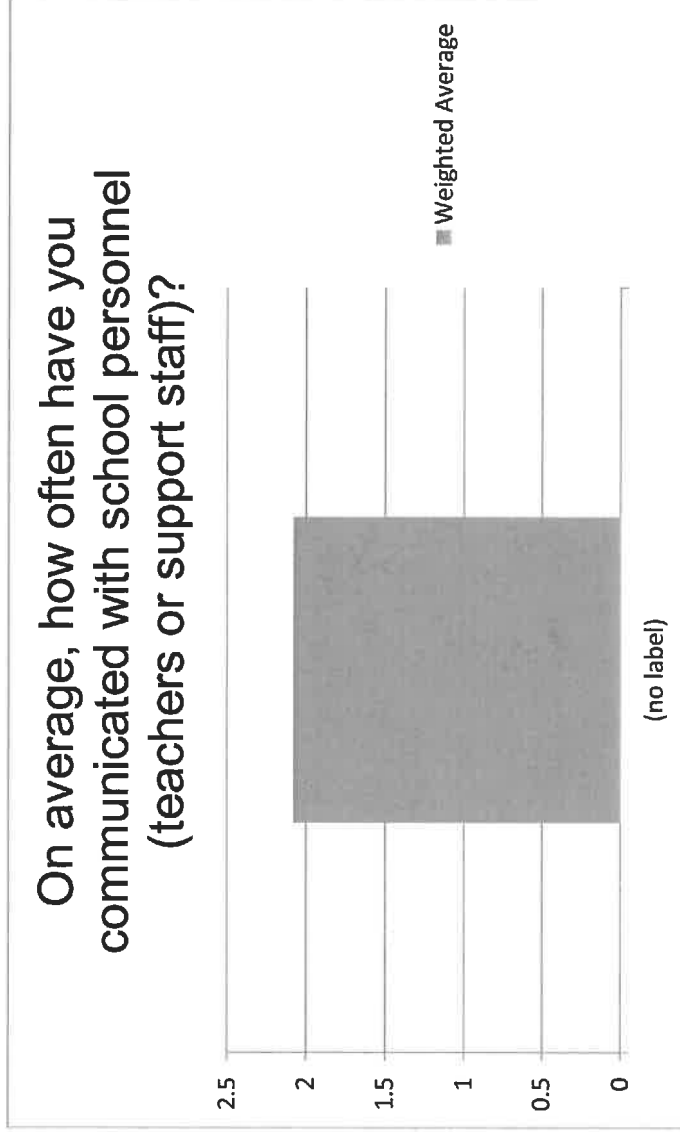
	Needs immediate	Needs some attention	Meets my expectations	Exceeds my expectations	Total	Weighted Average
Student Safety	1.61%	11.29%	60.48%	26.61%	124	3.12
Teacher communication with parents	1.61%	25.81%	54.84%	17.74%	124	2.89
Administration communication with parents	7.26%	16.13%	55.65%	20.97%	124	2.9
School website	1.63%	16.26%	59.35%	22.76%	123	3.03
Academic rigor of courses	1.65%	11.57%	47.93%	38.84%	121	3.24
Extra curricular activities	5.65%	30.65%	45.16%	18.55%	124	2.77
					Answered	124
					Skipped	14



2016-17 School Year Parent Survey

On average, how often have you communicated with school personnel (teachers or support staff)?

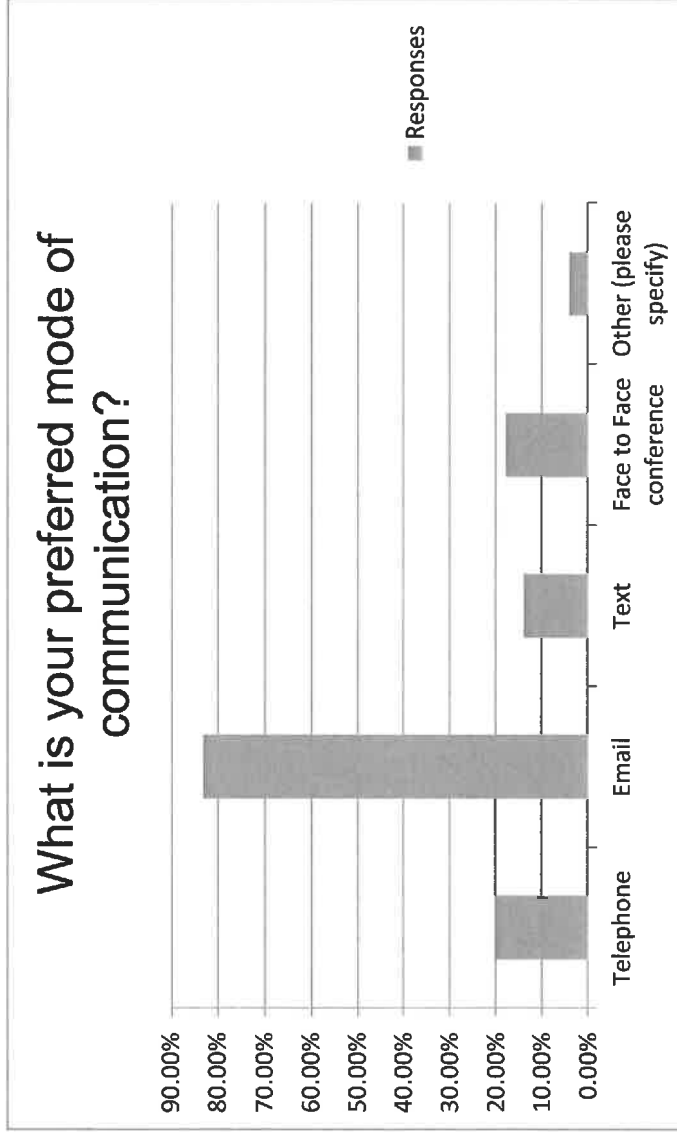
	0 times per month	1-5 times per month (weekly)	6-15 times per month	15 - 30 times per month	more than 30 times a month	Total	Weighted Average
(no label)	26 24.30%	56 52.34%	18 16.82%	4 3.74%	3 2.80%	107	2.08
						Answered	107
						Skipped	31



2016-17 School Year Parent Survey

What is your preferred mode of communication?

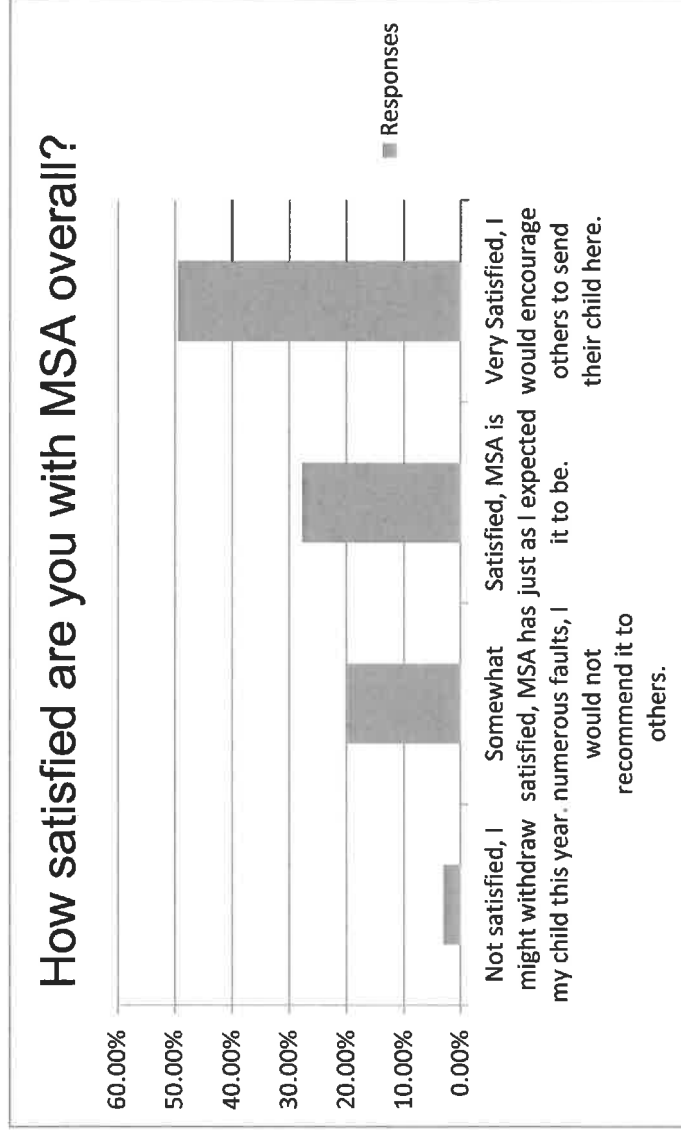
Answer Choices	Responses
Telephone	20
Email	84
Text	14
Face to Face conference	18
Other (please specify)	4
Answered	101
Skipped	37



2016-17 School Year Parent Survey

How satisfied are you with MSA overall?

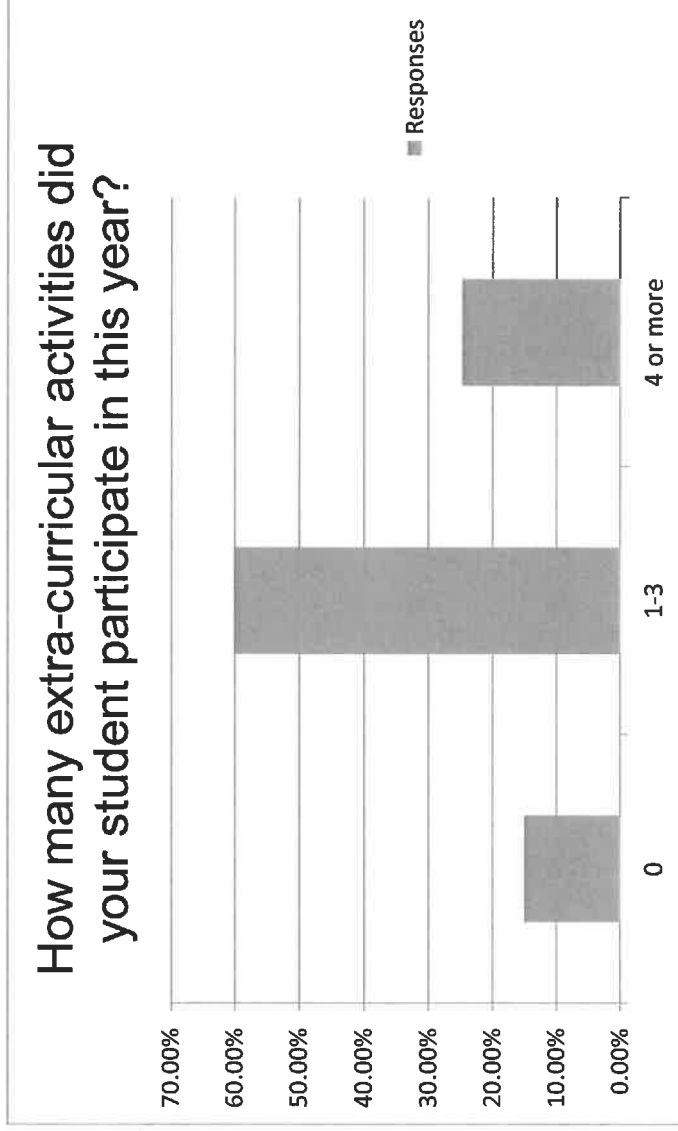
Answer Choices	Responses
Not satisfied, I might withdraw my child this year.	3
Somewhat satisfied, MSA has numerous faults, I would not recomm	20
Satisfied, MSA is just as I expected it to be.	28
Very Satisfied, I would encourage others to send their child here.	50
Answered	101
Skipped	37



2016-17 School Year Parent Survey

How many extra-curricular activities did your student participate in this year?

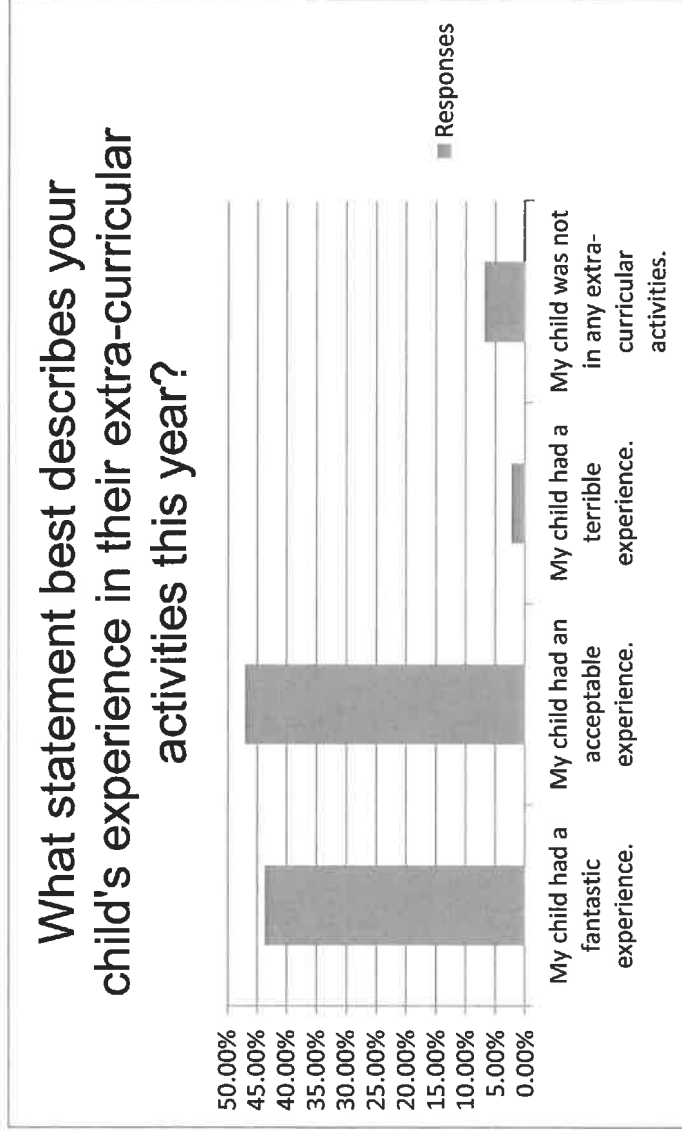
Answer Choices	Responses
0	14
1-3	56
4 or more	23
Answered	93
Skipped	45



2016-17 School Year Parent Survey

What statement best describes your child's experience in their extra-curricular activities this year?

Answer Choices	Responses
My child had a fantastic experience.	38
My child had an acceptable experience.	41
My child had a terrible experience.	2
My child was not in any extra-curricular activities.	6
Answered	87
Skipped	51



2016-17 School Year Parent Survey

How would you rate your experience with the Special Education program for your child?

Answer Choices	Responses
I did not have a student in the Special Education program and I had no experience with it.	75
My experience was more beneficial to my child than in previous years.	2
My experience was about the same as previous years for my child.	5
My experience was less than I had expected or experienced in previous years for my child.	2
Other (please specify)	4
	88
	50

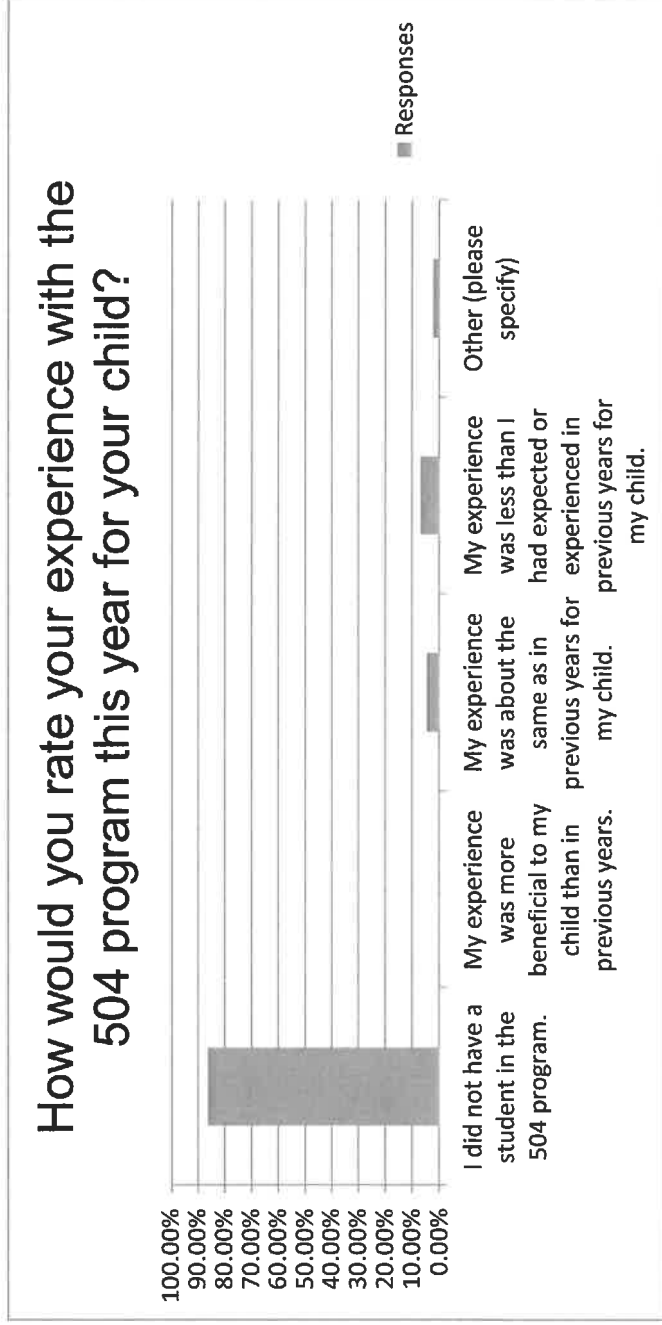
How would you rate your experience with the Special Education program for your child?



2016-17 School Year Parent Survey

How would you rate your experience with the 504 program this year for your child?

Answer Choices	Responses
I did not have a student in the 504 program.	76
My experience was more beneficial to my child than in previous years	0
My experience was about the same as in previous years for my child.	4
My experience was less than I had expected or experienced in previous years	6
Other (please specify)	2
	88
	50



Director's Goals & Authorizer Goals

Director's Goals:

1. Obtain principal licensure in Minnesota
Have a written plan in place and submit to the Board that addresses work toward licensure as a superintendent/principal. Plan should list milestones (classes) and time to be completed. Due October 31, 2017. Update Board on progress as appropriate.
2. Complete at least one development opportunity in general management (general or particular to charter schools) that covers the following: human resource management, delegation, teambuilding and/or conflict management.
3. Continue to utilize the charter mentor panel of MACS to gain expertise in general supervision/management (how to delegate and how to manage priorities and time are desired skills to seek).

Authorizer Goals

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

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2017

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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, 2017**

SCHOOL BOARD

NAME	TERM ON BOARD EXPIRATION	BOARD POSITION
Tim Tydlacka *	June 30, 2017	Board Chair
Deb Ledvina *	June 30, 2017	Vice Chair
Mona Hayashi	June 30, 2019	Treasurer
Jeana Albers	June 30, 2018	Secretary
Cheri Howe	June 30, 2019	Teacher Member
Thomas Johnston *	June 30, 2017	Teacher Member
Ken Thielman	June 30, 2019	Member
Jeffrey Eng	June 30, 2018	Member
Peter Irvine	June 30, 2018	Member
John Gawarecki	-	Ex Officio
Judith Darling	-	Ex Officio

* Board members Tim Tydlacka, Deb Ledvina, and Thomas Johnston left the board on June 19, 2017 and were replaced by Noah Langseth, Lisa Anderson, and Rita Winchester. The terms of the new members will run through June 30, 2020. Peter Irvine resigned from the board on August 24, 2017.

MSA BUILDING COMPANY

NAME	TERM ON BOARD EXPIRATION	BOARD POSITION
John Gawarecki	June 30, 2017	President
Joell Pundsack	June 30, 2017	Secretary
Mona Hayashi	June 30, 2017	Treasurer
Shannon Froberg	June 30, 2017	Member
Jerry Shelton	June 30, 2017	Member
Jeana Albers	June 30, 2017	Board of Directors Representative

ADMINISTRATION

John Gawarecki

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, each major fund, and the aggregate remaining fund information of Math and Science Academy as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Math and Science Academy'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.

Opinions

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Math and Science Academy as of June 30, 2017, 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 2016 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 25, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 Uniform Financial Accounting and Reporting Standards Compliance Table as listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Uniform Financial Accounting and Reporting Standards Compliance Table is the responsibility of management and was 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2017, 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

Minneapolis, Minnesota
August 31, 2017

REQUIRED SUPPLEMENTARY INFORMATION

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

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, 2017. Please read it in conjunction with the School's financial statements, which immediately follow this section. Certain comparative information between the current year (2016-2017) and the prior year (2015-2016) is required to be presented in the Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-2017 fiscal years include the following:

- The fund balance of the General Fund increased \$137,342 from the prior year for an ending fund balance of \$2,021,092 at June 30, 2017.
- Total General Fund revenues were \$5,125,242 as compared to \$4,987,900 of expenditures.
- The fund balance of the Building Company increased \$142,036 from the prior year for an ending fund balance of \$1,229,709 at June 30, 2017.
- The School's Net Position decreased by \$769,371. This decrease is directly attributable to the pension expense of \$1.4M which increased as a result of a change in actuarial assumptions affecting the Net Pension Liability of the General Employees Retirement Plan of Public Employees Retirement Association and the Teachers Retirement Fund.

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.
- *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.
- *Fiduciary funds statements* provide information about the financial relationships in which the School acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

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.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

School-Wide Statements (Continued)

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 nonfinancial 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.
- *Fiduciary Funds* – The School is the trustee, or fiduciary, for assets that belong to others. The School is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the School's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial and governmental fund statements because the School cannot use these assets to finance its operations.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The School's *combined* net position was a deficit of \$484,117 on June 30, 2017 (see Table A-1).

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

	Governmental Activities as of June 30,		Percentage Change
	2017	2016	
Current and Other Assets	\$ 3,780,937	\$ 3,503,489	7.92 %
Capital Assets	8,762,513	8,901,550	(1.56)
Total Assets	<u>12,543,450</u>	<u>12,405,039</u>	1.12
Deferred Outflows of Resources	5,376,359	665,878	707.41
Current Liabilities	8,871,705	2,900,981	205.82
Long-Term Liabilities	9,450,203	9,643,917	(2.01)
Total Liabilities	<u>18,321,908</u>	<u>12,544,898</u>	46.05
Deferred Inflows of Resources	82,018	240,765	(65.93)
Net Position:			
Net Investment in Capital Assets	(507,308)	(549,992)	(7.76)
Restricted	826,679	677,253	22.06
Unrestricted	(803,488)	157,993	(608.56)
Total Net Position	<u>\$ (484,117)</u>	<u>\$ 285,254</u>	(269.71)

The School's net position decreased by \$769,371, primarily as a result of an increase in pension expense due to increases in the School's actuarially determined proportionate share of the net pension liability of Public Employees Retirement Association's General Plan and the Teachers Retirement Fund. The amount of pension expense this year was \$1.4M as compared to \$246K in fiscal year 2016.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

Changes in Net Position

The School's total entity-wide revenues were \$5,233,567 for the year ended June 30, 2017 (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,		Percentage Change
	2017	2016	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 154,829	\$ 186,060	(16.79)%
Operating Grants and Contributions	1,339,180	1,257,646	6.48
<u>General Revenues</u>			
Unrestricted State Aid	3,595,125	3,442,709	4.43
Investment Earnings	1,616	872	85.32
Other	142,817	77,972	83.16
Total Revenues	<u>5,233,567</u>	<u>4,965,259</u>	5.40
Expenses			
Administration	203,573	134,610	51.23
District Support Services	431,498	355,107	21.51
Regular Instruction	3,283,675	2,438,000	34.69
Special Education Instruction	774,734	596,768	29.82
Instructional Support Services	404,746	291,166	39.01
Pupil Support Services	110,319	34,218	222.40
Sites and Buildings	299,128	255,389	17.13
Fiscal and Other Fixed Cost Programs	50,216	60,477	(16.97)
Interest and Fiscal Charges on Long-Term Liabilities	445,049	449,631	(1.02)
Total Expenses	<u>6,002,938</u>	<u>4,615,366</u>	30.06
Change in Net Position	(769,371)	349,893	
Beginning Net Position	285,254	(64,639)	
Ending Net Position	<u>\$ (484,117)</u>	<u>\$ 285,254</u>	

Total expenses exceeded revenues decreasing the net position by \$769,371.

Revenue increased by \$268,308 over prior year. The increase in unrestricted state aids and operating grants contributed to the bulk of this increase (\$233K). Items included in these categories are general education revenue, special education and long-term facilities revenue. These revenue items increased primarily due to our increase in enrollment (9 ADM), an increase in general education aid from the State of approximately 2% and an increase in the pension revenue of \$66K.

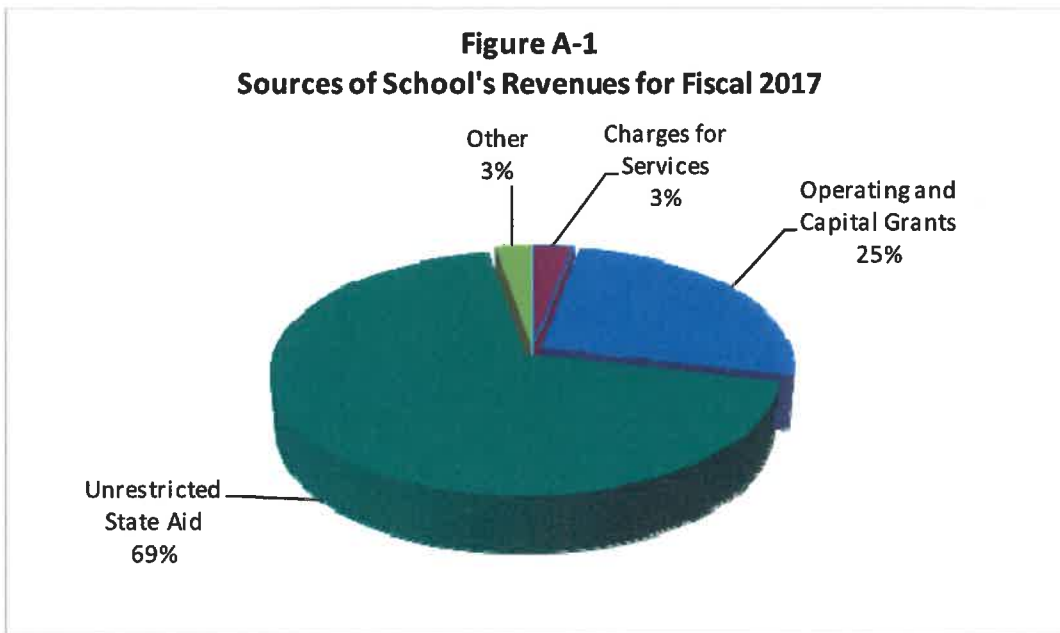
**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

Changes in Net Position (Continued)

The total cost of all programs and services was \$6,002,938 which is an increase over prior year of \$1,387,572. \$1.4M of this amount is pension expense and is the School's actuarially determined proportionate share of the net pension liability of Public Employees Retirement Association's General Plan and the Teachers Retirement Fund. This increase was significant this year and was the result of a change in the actuarial assumptions used in determining the net pension liability.

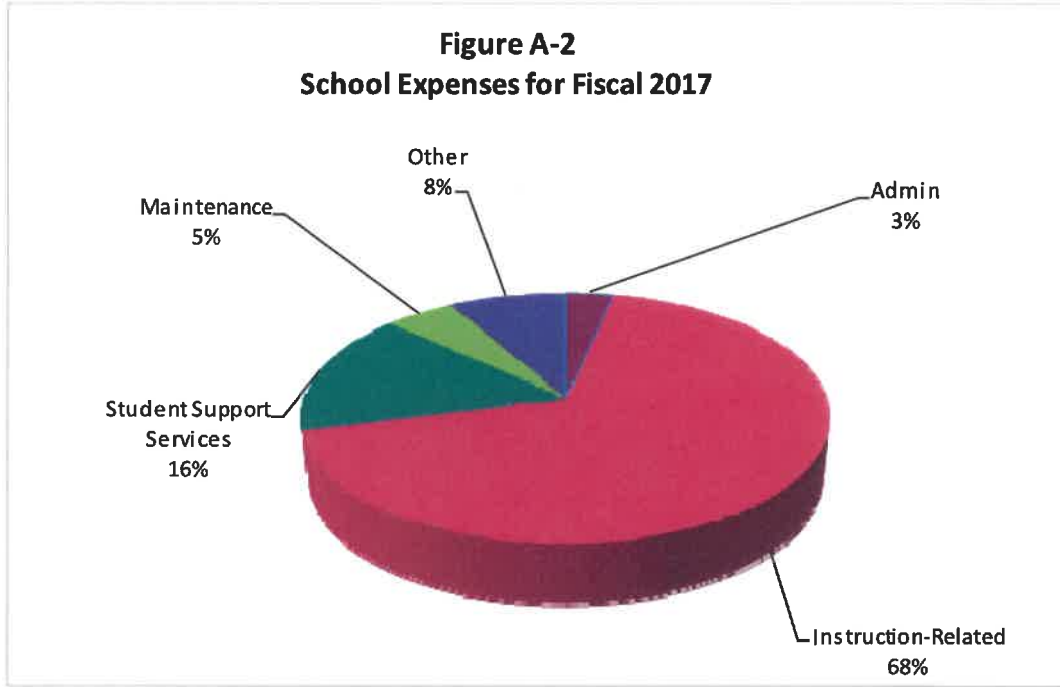
The cost of all *governmental* activities this year was \$6,002,938.

- Some of the cost was paid by the users of the School's programs (\$154,829).
- The federal government, state government, and private grant funds subsidized certain programs with grants and contributions (\$1,339,180).
- Most of the School's costs were paid for by unrestricted state aid (\$3,595,125).



**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

Changes in Net Position (Continued)



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
	2017	2016		2017	2016	
Administration	\$ 203,573	\$ 134,610	51.23 %	\$ 192,114	\$ 134,610	42.72 %
District Support Services	431,498	355,107	21.51	431,498	355,107	21.51
Regular Instruction	3,283,675	2,438,000	34.69	3,128,846	2,251,940	38.94
Special Education Instruction	774,734	596,768	29.82	181,453	40,667	346.19
Instructional Support Services	404,746	291,166	39.01	404,746	291,166	39.01
Pupil Support Services	110,319	34,218	222.40	110,319	34,218	222.40
Sites and Buildings	299,128	255,389	17.13	9,737	3,475	180.20
Fiscal and Other Fixed Cost Programs	50,216	60,477	(16.97)	50,216	60,477	(16.97)
Interest and Fiscal Charges on Long-Term Liabilities	445,049	449,631	(1.02)	-	-	N/A
	<u>\$ 6,002,938</u>	<u>\$ 4,615,366</u>	30.06	<u>\$ 4,508,929</u>	<u>\$ 3,171,660</u>	42.16

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 \$5,920,847 while total expenditures and other financing uses were \$5,641,469. This contributed to a *combined* fund balance of \$3,250,801 which is \$279,378 higher than last year's ending fund balance of \$2,971,423.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

GENERAL FUND

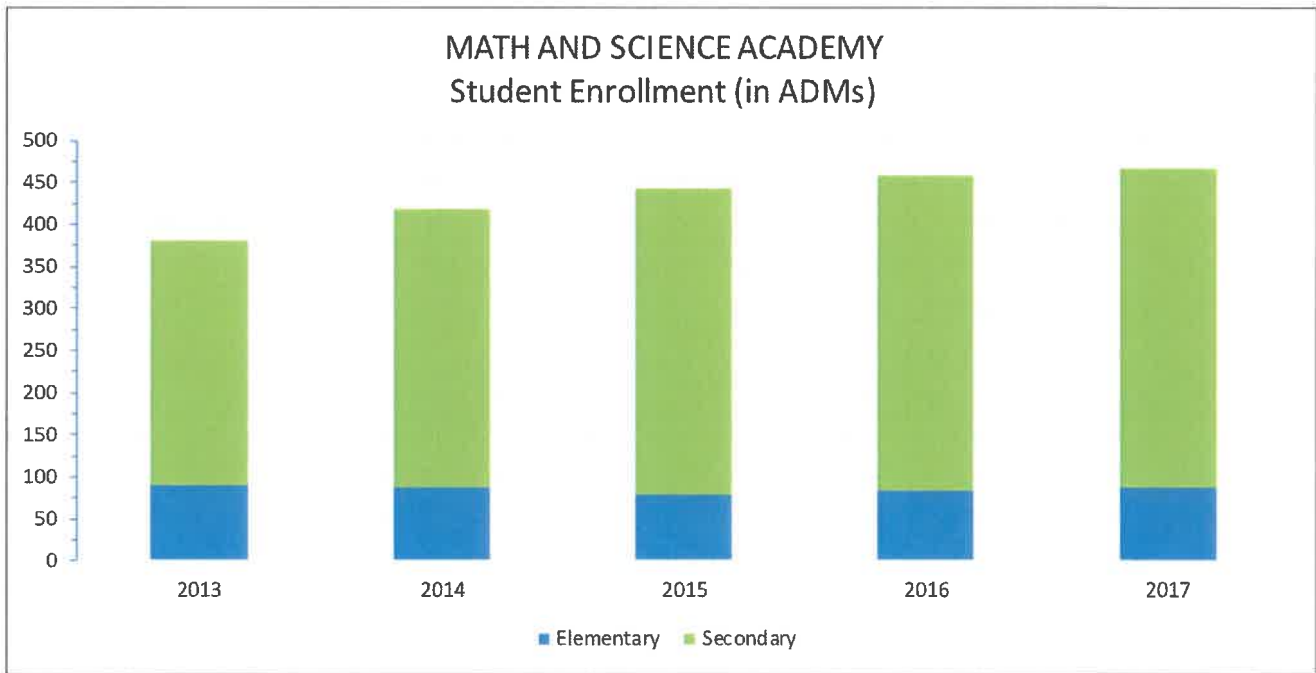
The General Fund includes the primary operations of the School in providing educational services to students from grade 6 through grade 12 including activities and capital outlay projects.

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.

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 2016-2017 was 468 students, which was an increase of approximately 9 students over the prior year.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

	Year Ended		Change	
	June 30, 2017	June 30, 2016	Increase (Decrease)	Percent Change
Local Sources:				
Earnings on Investments	\$ 937	\$ 803	\$ 134	16.69 %
Other	289,362	261,144	28,218	10.8
State Sources	4,766,800	4,591,951	174,849	3.8
Federal Sources	68,143	66,823	1,320	2.0
Total General Fund Revenue	<u>\$ 5,125,242</u>	<u>\$ 4,920,721</u>	<u>\$ 204,521</u>	4.2

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 \$204,521 from the previous year. State revenue increased approximately \$175,000 with most of the increase attributable to the increase in enrollment, lease aid, and state special education revenue. Federal revenue was consistent with the prior year. Other revenues increased approximately \$28,000 as the result of a more successful Annual Fund drive as well as the addition of the Dragon Dinner fundraiser.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Change	
	June 30, 2017	June 30, 2016	Increase (Decrease)	Percent Change
Salaries	\$ 2,291,481	\$ 2,115,269	\$ 176,212	8.33 %
Employee Benefits	701,827	695,627	6,200	0.9
Purchased Services	1,499,437	1,394,267	105,170	7.5
Supplies and Materials	293,003	319,259	(26,256)	(8.2)
Capital Expenditures	144,474	148,083	(3,609)	(2.4)
Other Expenditures	57,678	33,989	23,689	69.7
Total General Fund Expenditures	<u>\$ 4,987,900</u>	<u>\$ 4,706,494</u>	<u>\$ 281,406</u>	6.0

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

Total General Fund expenditures increased \$281,406 from the previous year. The increase in salary expense was the result of pay increases, stipends paid to teachers for spending additional time in the classroom, and a change in the Personal Time Off policy pay out.

Purchased Services expenditures increased \$105,170 from the prior year. There was no one area within Purchased Services where significantly more was spent this year than in the prior year. Instead, there were moderate increases in many areas such as special education contracted services, repairs and maintenance, field trip admissions, and the building lease.

Other expenditures increased \$23,689 from the prior year. This increase is due to a GASB 68 pension entry (affecting both revenue and expense on the fund financial statements) as well as student activity expenses.

Unassigned fund balance is the single best measure of overall financial health. General Fund unassigned fund balance was \$1,892,699 at June 30, 2017. The total fund balance (which includes \$72,193 of prepaid items and \$56,200 related to student activities) of \$2,021,092 represents 40.5% 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 \$3,362 or 0.1%.

Actual expenditures were lower than budgeted with a variance of \$132,964 or 2.6%. The majority of this variance is found in the areas of salaries and benefits where we were under budget by \$91K. There were stipends budgeted to be distributed if staff achieved certain goals. Since these goals were not attained, these funds were not paid out. There were various other areas where we were either over or under budget such as the contracted nursing budget (\$12K under), building improvements (\$30K over), supplies and materials (\$11K over), and student activity (\$12K over).

The School was significantly under budget in the Annual Fund (\$45K) and State Special Education (\$33K). However, in these instances, the School also came in under budget on the revenue side too.

The differences between budget and actual revenues and expenditures resulted in a surplus for the year of \$137,342 which was \$136,326 higher than budgeted.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

OTHER MAJOR FUNDS

Revenues and other financing sources exceeded expenditures and other financing uses in the Building Company Fund by \$142,036. This is primarily because the amount received for lease payments exceeded the amount required for 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 2016-2017 fiscal year, the School and related building company had invested \$10,888,908, in a broad range of capital assets, including the school building, computer and other equipment (see Table A-7). More detailed information about capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$255,719.

**Table A-7
Capital Assets**

	2017	2016	Percentage Change
MSA Building Company			
Land	\$ 990,625	\$ 990,625	-
Buildings and Improvements	9,135,498	9,135,498	-
Furniture and Equipment	86,989	86,989	-
Math and Science Academy			
Buildings and Leasehold Improvements	231,187	181,388	27.5
Furniture and Equipment	444,609	413,969	7.4
Less: Accumulated Depreciation	(2,126,395)	(1,906,919)	11.5
Total District Capital Assets	<u>\$ 8,762,513</u>	<u>\$ 8,901,550</u>	(1.6)

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

Long-Term Liabilities

At year-end, the School had a net amount of \$9,635,203 in bonds and related net bond premiums outstanding as well as a net pension liability of \$8,118,921.

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

	2017	2016	Percentage Change
General Obligation Bonds	\$ 9,405,000	\$ 9,585,000	(1.9)%
Net Bond Premium and Discount	230,203	238,917	(3.6)
Net Pension Liability	8,118,921	2,150,870	277.5
Total Long-Term Liabilities	<u>\$ 17,754,124</u>	<u>\$ 11,974,787</u>	48.3
Long-Term Liabilities:			
Due Within One Year	\$ 185,000	\$ 180,000	
Due in More Than One Year	17,569,124	11,794,787	
Total	<u>\$ 17,754,124</u>	<u>\$ 11,974,787</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 2016 Legislative session did not further improve the general education formula. 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, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

	Governmental Activities	
	2017	2016
ASSETS		
Cash and Investments	\$ 2,030,287	\$ 1,803,902
Cash with Fiscal Agent	1,224,503	1,145,062
Receivables:		
Other Governments	450,227	415,433
Other	1,327	7,220
Prepaid Items	74,593	131,872
Capital Assets:		
Land and Construction in Progress	990,625	990,625
Other Capital Assets, Net of Depreciation	7,771,888	7,910,925
Total Assets	12,543,450	12,405,039
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - Pension Payments	5,376,359	665,878
LIABILITIES		
Salaries Payable	314,229	321,180
Accounts and Contracts Payable	215,907	153,674
Accrued Interest Payable	37,648	38,045
Unearned Revenue	-	57,212
Long-Term Liabilities:		
Net Pension Liability	8,118,921	2,150,870
Other Long-Term Liabilities Due Within One Year	185,000	180,000
Other Long-Term Liabilities Due in More Than One Year	9,450,203	9,643,917
Total Liabilities	18,321,908	12,544,898
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Pensions	82,018	240,765
NET POSITION		
Net Investment in Capital Assets	(507,308)	(549,992)
Restricted for:		
Building Company	826,679	677,253
Unrestricted	(803,488)	157,993
Total Net Position	\$ (484,117)	\$ 285,254

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

Functions	2017				2016
	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Total
					Total Governmental Activities
Governmental Activities					
Administration	\$ 203,573	\$ -	\$ 11,459	\$ (192,114)	\$ (134,610)
District Support Services	431,498	-	-	(431,498)	(355,107)
Regular Instruction	3,283,675	154,829	-	(3,128,846)	(2,251,940)
Special Education Instruction	774,734	-	593,281	(181,453)	(40,667)
Instructional Support Services	404,746	-	-	(404,746)	(291,166)
Pupil Support Services	110,319	-	-	(110,319)	(34,218)
Sites and Buildings	299,128	-	289,391	(9,737)	(3,475)
Fiscal and Other Fixed Cost Programs	50,216	-	-	(50,216)	(60,477)
Interest and Fiscal Charges on Long-Term Liabilities	445,049	-	445,049	-	-
Total School District	\$ 6,002,938	\$ 154,829	\$ 1,339,180	(4,508,929)	(3,171,660)
General Revenues					
State Aid Not Restricted to Specific Purposes				3,595,125	3,442,709
Earnings on Investments				1,616	872
Miscellaneous				142,817	77,972
Total General Revenues				3,739,558	3,521,553
Change in Net Position				(769,371)	349,893
Net Position - Beginning				285,254	(64,639)
Net Position - Ending				\$ (484,117)	\$ 285,254

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

	Major Funds		Total Governmental Funds	
	General	Building Company	2017	2016
ASSETS				
Cash and Investments	\$ 2,025,081	\$ 5,206	\$ 2,030,287	\$ 1,803,902
Cash with Fiscal Agent	-	1,224,503	1,224,503	1,145,062
Receivables:				
Due from Minnesota Department of Education	448,578	-	448,578	415,433
Due from Federal through Minnesota Department of Education	1,649	-	1,649	-
Due from Other Funds	2,400	-	2,400	2,400
Other Receivables	1,327	-	1,327	7,220
Prepays	72,193	2,400	74,593	131,872
Total Assets	<u>\$ 2,551,228</u>	<u>\$ 1,232,109</u>	<u>\$ 3,783,337</u>	<u>\$ 3,505,889</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Salaries Payable	\$ 248,322	\$ -	\$ 248,322	\$ 236,480
Payroll Deductions and Employer Contributions Payable	65,907	-	65,907	84,700
Accounts and Contracts Payable	215,907	-	215,907	153,674
Due to Other Funds	-	2,400	2,400	2,400
Unearned Revenue	-	-	-	57,212
Total Liabilities	<u>530,136</u>	<u>2,400</u>	<u>532,536</u>	<u>534,466</u>
Fund Balance:				
Nonspendable:				
Prepays	72,193	2,400	74,593	131,872
Restricted for:				
Building Company	-	1,227,309	1,227,309	1,085,273
Assigned for:				
Student Groups	56,200	-	56,200	43,523
Unassigned	1,892,699	-	1,892,699	1,710,755
Total Fund Balance	<u>2,021,092</u>	<u>1,229,709</u>	<u>3,250,801</u>	<u>2,971,423</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 2,551,228</u>	<u>\$ 1,232,109</u>	<u>\$ 3,783,337</u>	<u>\$ 3,505,889</u>

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, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2016)**

	2017	2016
Total Fund Balance for Governmental Funds	\$ 3,250,801	\$ 2,971,423
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
Buildings and Improvements, Net of Accumulated Depreciation	7,531,048	7,685,776
Equipment, Net of Accumulated Depreciation	240,840	225,149
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(37,648)	(38,045)
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	(8,118,921)	(2,150,870)
Deferred Inflows of Resources - Pensions	(82,018)	(240,765)
Deferred Outflows of Resources - Pensions	5,376,359	665,878
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	(9,405,000)	(9,585,000)
Unamortized Premiums	(230,203)	(238,917)
Total Net Position of Governmental Activities	\$ (484,117)	\$ 285,254

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, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

	Major Funds		Total Governmental Funds	
	General	Building Company	2017	2016
REVENUES				
Local Sources:				
Earnings and Investments	\$ 937	\$ 679	\$ 1,616	\$ 872
Other	289,362	794,926	1,084,288	1,045,132
State Sources	4,766,800	-	4,766,800	4,591,951
Federal Sources	68,143	-	68,143	66,823
Total Revenues	<u>5,125,242</u>	<u>795,605</u>	<u>5,920,847</u>	<u>5,704,778</u>
EXPENDITURES				
Current:				
Administration	148,995	-	148,995	131,181
District Support Services	410,496	-	410,496	346,651
Elementary and Secondary Regular Instruction	2,205,943	-	2,205,943	2,163,143
Special Education Instruction	634,842	-	634,842	580,404
Instructional Support Services	267,314	-	267,314	251,035
Pupil Support Services	84,123	-	84,123	33,889
Sites and Buildings	1,060,701	-	1,060,701	1,027,576
Fiscal and Other Fixed Cost Programs	30,807	19,409	50,216	60,477
Capital Outlay	144,474	-	144,474	176,735
Debt Service:				
Principal	-	180,000	180,000	180,000
Interest and Fiscal Charges	205	454,160	454,365	458,705
Total Expenditures	<u>4,987,900</u>	<u>653,569</u>	<u>5,641,469</u>	<u>5,409,796</u>
Excess of Revenues Over Expenditures	137,342	142,036	279,378	294,982
FUND BALANCES				
Beginning of Year	1,883,750	1,087,673	2,971,423	2,676,441
End of Year	<u>\$ 2,021,092</u>	<u>\$ 1,229,709</u>	<u>\$ 3,250,801</u>	<u>\$ 2,971,423</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, 2017
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2016)**

	<u>2017</u>	<u>2016</u>
Net Change in Fund Balance - Total Governmental Funds	\$ 279,378	\$ 294,982

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

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. The amount by which depreciation exceeded capital outlays in the current period is:

Capital Outlays	117,958	162,465
Gain (Loss) on Disposal of Capital Assets	(1,276)	-
Depreciation Expense	(255,719)	(246,356)

Pension expenses in the governmental funds are measured by current year employer contributions. Pension expenditures on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.

	(1,098,823)	(50,272)
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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. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment of Bond Principal	180,000	180,000
Change in Accrued Interest - General Obligation Bonds	397	360
Amortization of Bond Premium	<u>8,714</u>	<u>8,714</u>

Total	<u><u>\$ (769,371)</u></u>	<u><u>\$ 349,893</u></u>
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**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, 2017**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Earnings and Investments	\$ 750	\$ 850	\$ 937	\$ 87
Other	237,301	287,025	289,362	2,337
State Sources	4,731,597	4,769,203	4,766,800	(2,403)
Federal Sources	63,400	64,802	68,143	3,341
Total Revenues	<u>5,033,048</u>	<u>5,121,880</u>	<u>5,125,242</u>	<u>3,362</u>
EXPENDITURES				
Current:				
Administration	146,827	142,901	148,995	6,094
District Support Services	420,516	407,349	410,496	3,147
Elementary and Secondary Regular Instruction	2,270,402	2,308,201	2,205,943	(102,258)
Special Education Instruction	579,100	661,798	634,842	(26,956)
Instructional Support Services	236,948	273,161	267,314	(5,847)
Pupil Support Services	107,787	111,100	84,123	(26,977)
Sites and Buildings	1,055,803	1,091,929	1,060,701	(31,228)
Fiscal and Other Fixed Cost Programs	27,600	27,600	30,807	3,207
Capital Outlay	102,200	96,620	144,474	47,854
Debt Service:				
Interest and Fiscal Charges	-	205	205	-
Total Expenditures	<u>4,947,183</u>	<u>5,120,864</u>	<u>4,987,900</u>	<u>(132,964)</u>
Excess of Revenues Over Expenditures	<u>\$ 85,865</u>	<u>\$ 1,016</u>	137,342	<u>\$ 136,326</u>
FUND BALANCE				
Beginning of Year			<u>1,883,750</u>	
End of Year			<u>\$ 2,021,092</u>	

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

	<u>Scholarship Private-Purpose Trust</u>
ASSETS	
Cash and Investments	\$ 8,000
LIABILITIES	
Accounts and Contracts Payable	<u>8,000</u>
NET POSITION	
Held In Trust	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2017**

	<u>Private-Purpose Trust</u>
ADDITIONS	
Gifts and Contributions	\$ 8,000
DEDUCTIONS	
Scholarships Awarded	8,000
Change in Net Position	<u> -</u>
Net Position - Beginning of Year	-
Net Position - End of Year	<u><u>\$ -</u></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, 2017**

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, 2017**

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 nonprofit corporation holding Internal Revenue Service 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. 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.

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.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation (Continued)

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.

D. 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, as are fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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) is 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, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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. Descriptions 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 the School, as well as the debt service payments required under the terms of the related long-term mortgage loans.

Fiduciary Fund

Scholarship Private-Purpose Trust Fund

The Scholarship Private-Purpose Trust Fund is used to account for resources held in trust to be used by various other third parties to award scholarships to students.

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, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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 include a mid-year budget amendment that changed revenue and expenditures budgets as follows:

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 5,033,048	\$ 88,832	\$ 5,121,880
<u>Expenditures</u>			
General Fund	4,947,183	173,681	5,120,864

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.

F. 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.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. 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.

H. 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.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School has one item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School has one item that qualifies for reporting in this category.

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.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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.

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.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis, and Minneapolis School District. This direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015. Additional information can be found in Note 7.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, and then unassigned fund balance.

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.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Net Position

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows 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, 2016, from which the summarized information was derived.

NOTE 2 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.

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

The School's carrying and bank balances of deposits at June 30, 2017 were \$2,025,081 and \$2,055,076, respectively. The carrying and bank balances of the Building Company's deposits at June 30, 2017 were \$5,206 and \$5,206, 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
- 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

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

At June 30, 2017, the Building Company's investment balances were as follows:

Investments Held by Trustee

Type	Total	Maturity Duration in Years Less Than 1	Rating
First American Treasury Obligations Money Market Fund - Class D	\$ 1,224,503	\$ 1,224,503	Aaa-mf

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-mf 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	\$ 2,030,287
Cash and Investments Held by Trustee - Statement of Net Position	1,224,503
Cash and Investments - Statement of Fiduciary Net Position	8,000
Total Cash and Investments	<u>\$ 3,262,790</u>

C. Fair Value Measurements

The School uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The School follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the School has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**MATH AND SCIENCE ACADEMY
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NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

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

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

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

The School did not hold and investments measured at fair value as of June 30, 2017. The money market fund investments held by the Building Company’s escrow agent are valued at amortized cost.

NOTE 3 INTERFUND BALANCES

At June 30, 2017, the following were the interfund balances:

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

In fiscal year 2012-2013, 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.

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NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Building Company				
Land	\$ 990,625	\$ -	\$ -	\$ 990,625
Capital Assets, Being Depreciated:				
Building Company				
Buildings and Improvements	9,135,498	-	-	9,135,498
Furniture and Equipment	86,989	-	-	86,989
Charter School				
Building and Leasehold Improvements	181,388	49,799	-	231,187
Furniture and Equipment	413,969	68,159	(37,519)	444,609
Total Capital Assets, Being Depreciated	<u>9,817,844</u>	<u>117,958</u>	<u>(37,519)</u>	<u>9,898,283</u>
Accumulated Depreciation for:				
Building Company				
Buildings and Improvements	(1,622,831)	(193,065)	-	(1,815,896)
Furniture and Equipment	(63,792)	(4,794)	-	(68,586)
Charter School				
Building and Leasehold Improvements	(8,279)	(11,462)	-	(19,741)
Furniture and Equipment	(212,017)	(46,398)	36,243	(222,172)
Total Accumulated Depreciation	<u>(1,906,919)</u>	<u>(255,719)</u>	<u>36,243</u>	<u>(2,126,395)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,910,925</u>	<u>(137,761)</u>	<u>(1,276)</u>	<u>7,771,888</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,901,550</u>	<u>\$ (137,761)</u>	<u>\$ (1,276)</u>	<u>\$ 8,762,513</u>

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

Governmental Activities	
District Support Services	\$ 2,041
Regular Instruction	207,015
Special Education Instruction	998
Instructional Support Services	33,705
Sites and Buildings	11,960
Total Depreciation Expense, Governmental Activities	<u>\$ 255,719</u>

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NOTE 5 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 of general education funding from the Minnesota Department of Education used to secure the loan from \$200,000 to \$300,000. On October 14, 2015, the School extended the agreement through November 3, 2017. The above terms and maximum working capital advances remained the same as the previous agreement, but the variable interest rate was amended to 1% above the Wall Street Journal Prime Rate with a minimum rate of 4.25%. No borrowing took place under the terms of this line of credit during fiscal 2017.

NOTE 6 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	\$ 185,000	\$ 9,405,000
Premium on Bonds Payable				-	230,203
				<u>\$ 185,000</u>	<u>\$ 9,635,203</u>

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 nontaxable lease revenue bonds (Series 2012A). 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.

**MATH AND SCIENCE ACADEMY
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NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable (Continued)

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>
2018	\$ 185,000	\$ 449,093
2019	190,000	443,418
2020	200,000	437,025
2021	205,000	429,844
2022	215,000	422,111
2023-2027	1,210,000	1,955,790
2028-2032	1,545,000	1,614,375
2033-2037	1,960,000	1,178,000
2038-2043	3,695,000	682,875
Total	<u>\$ 9,405,000</u>	<u>\$ 7,612,531</u>

Changes in long-term debt are as follows:

	June 30, 2016	Additions	Retirements	June 30, 2017	Principal Due Within One Year
Series 2012A Lease Revenue Bonds	\$ 9,585,000	\$ -	\$ 180,000	\$ 9,405,000	\$ 185,000
Premium on Bonds Payable	238,917	-	8,714	230,203	-
Total	<u>\$ 9,823,917</u>	<u>\$ -</u>	<u>\$ 188,714</u>	<u>\$ 9,635,203</u>	<u>\$ 185,000</u>

**MATH AND SCIENCE ACADEMY
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NOTE 7 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 follow:

A. Plan Description

The School participates in the following defined benefit pension plans administered by the Public Employees Retirement Association (PERA) and Teachers Retirement Fund (TRA). PERA's 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 (General Employees Plan (accounted for in the General Employees Fund))

PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. All full-time and certain part-time employees of the School other than teachers are covered by the General Employees Plan. General Employees Plan members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

**MATH AND SCIENCE ACADEMY
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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

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.

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 city of St. Paul and by the University of Minnesota system) are required to be TRA members. State university, community college, and technical college teachers first employed by the Minnesota State College and Universities (MnSCU) may elect TRA coverage within one year of eligible employment. Alternatively, these teachers may elect coverage through the Defined Contribution Retirement Plan (DCR) administered by MnSCU.

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.

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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. General Employees Plan 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 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 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.

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 if Service Years 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 Service Years Are July 1, 2006 or After	1.9% per Year

**MATH AND SCIENCE ACADEMY
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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

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.

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.

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

**MATH AND SCIENCE ACADEMY
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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2017. In fiscal year 2017, the School was required to contribute 7.5% for Coordinated Plan members. The School's contributions to the General Employees Fund for the plan's fiscal year ended June 30, 2017 were \$29,903. 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:

	2017		2016	
	Employee	Employer	Employee	Employer
Basic	11.00 %	11.50 %	11.00 %	11.50 %
Coordinate	7.50	7.50	7.50	7.50

The School's contributions to TRA for the plan's fiscal year ended June 30, 2017 were \$135,900. The School's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

1. General Employees Fund Pension Costs

At June 30, 2017, the School reported a liability of \$438,453 for its proportionate share of the General Employees Fund's net pension liability. The [entity's] net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2017. The State of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the School totaled \$5,757. The net pension liability was measured as of June 30, 2016, 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, 2015 through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. As of the June 30, 2016 measurement date, the School's proportion was .0054%, which was an increase of .0009% from its proportion measured as of June 30, 2015.

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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Fund Pension Costs (Continued)

For the year ended June 30, 2017, the School recognized pension expense of \$72,078 for its proportionate share of General Employees Plan's pension expense.

At June 30, 2017, the School reported its proportionate share of General Employees Plan'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	\$ 1,298	\$ 35,618
Changes in Actuarial Assumptions	94,564	-
Net Difference Between Projected and Actual		
Earnings on Plan Investments	48,950	-
Changes in Proportion and Differences Between		
District Contributions and Proportionate		
Share of Contributions	45,473	-
District Contributions Subsequent to the		
Measurement Date	29,903	-
Total	<u>\$ 220,188</u>	<u>\$ 35,618</u>

A total of \$29,903 reported as deferred outflows of resources related to pensions resulting from School contributions to General Employees Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to General Employees Plan pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2018	\$ 47,024
2019	37,012
2020	54,792
2021	15,839
2022	-
Thereafter	-

**MATH AND SCIENCE ACADEMY
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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs

At June 30, 2017, the School reported a liability of \$7,680,468 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2016, 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 .0322% at the end of the measurement period and .0310% 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:

Description	Amount
School's Proportionate Share of the TRA Net Pension Liability	\$ 7,680,468
State's Proportionate Share of the Net Pension Liability Associated with the School	770,221

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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

For the year ended June 30, 2017, the School recognized pension expense of \$1,189,055. It also recognized \$107,646 as pension expense for the support provided by direct aid.

At June 30, 2017, 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	\$ 75,233	\$ 214
Changes in Actuarial Assumptions	4,379,696	-
Net Difference Between Projected and Actual		
Earnings on Plan Investments	332,262	-
Changes in Proportion and Differences Between		
District Contributions and Proportionate		
Share of Contributions	233,080	46,186
District Contributions Subsequent to the		
Measurement Date	135,900	-
Total	<u>\$ 5,156,171</u>	<u>\$ 46,400</u>

A total of \$135,900 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2018	\$ 1,006,902
2019	1,006,902
2020	1,104,843
2021	991,745
2022	863,479
Thereafter	-

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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.50% per Year	2.75%
Active Member Payroll Growth	3.25% per Year	3.50 - 9.50%
Investment Rate of Return	7.50%	4.66%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP 2014 tables for the, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.0% per year for all future years for the General Employees Plan. Cost of living benefit increases for retirees are assumed to be 2.0% per year for all future years for the TRA.

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan and TRA was completed in 2015.

The following changes in actuarial assumptions for General Employees Fund occurred in 2016:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

There was a change in actuarial assumptions that affected the measurement of the total liability since the prior measurement date for TRA. Post-retirement benefit adjustments are now assumed to be 2.0% annually. The prior year valuation assumed a 2.5% increase commencing July 1, 2034.

The long-term expected rate of return on pension plan investments is 7.50% for General Employees Fund and 4.66% 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.

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NOTE 7 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	100 %	

F. Discount Rate

The discount rate used to measure the total pension liability was 7.50% for PERA and 8.0% for TRA. For PERA, this was a decrease from the discount rate at the prior measurement date of 7.90%. For TRA, this was a decrease from the discount rate at the prior measurement date of 8.00%. 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.

Based on PERA's assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Based on TRA's assumptions, the pension plan's fiduciary net position was projected to be depleted in 2052 and, as a result, the Municipal Bond Index Rate was used in the determination of the Single Equivalent Interest Rate (SEIR). The long-term expected rate of return was applied to periods before 2052 and the Municipal Bond Index Rate of 3.01% was applied to periods on and after 2052, resulting in a SEIR of 4.66%. Based on Fiduciary Net Position at prior year measurement date, the discount rate of 8.00% was used and it was not necessary to calculate the SEIR.

**MATH AND SCIENCE ACADEMY
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NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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>	6.50%	7.50%	8.50%
School's Proportionate Share of the GERF Net Pension Liability	\$ 622,734	\$ 438,453	\$ 286,656
<u>TRA Discount Rate</u>	3.66%	4.66%	5.66%
School's Proportionate Share of the TRA Net Pension Liability	\$ 9,894,363	\$ 7,680,468	\$ 5,877,323

H. Pension Plan Fiduciary Net Position

Detailed information about the General Employees Fund fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

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, Suite 400, St. Paul, Minnesota, 55103-4000; or by calling (651) 296-2409 or 1-800-657-3669.

NOTE 8 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.

**MATH AND SCIENCE ACADEMY
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NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. Pledged State Revenues

The School has pledged all funds, monies, grants, or other distributions received by the School from the State of Minnesota with respect to general student funding, state building lease aid payments, state distributions of Federal Title I funds, or any other funding sources, net of operating expenses of the School required under state or federal laws to provide required educational program expenditures, to repay the \$9,765,000 2012A lease revenue bonds issued by the Building Company in November of 2012. Proceeds from the bonds provided financing for the acquiring, construction, and equipping of the education facility located at 8430 Woodbury Crossing, Woodbury, Minnesota. The bonds are payable solely from lease revenues paid by the School to the Building Company revenues and are payable through 2043. Annual principal and interest payments on the bonds during the year ending June 30, 2017 required 80% of net lease revenues. The total principal and interest remaining to be paid on the bonds is \$17,017,531. Principal and interest paid for the current year and total customer net revenues were \$634,160 and \$794,926, respectively.

C. 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 and which qualified for lease aid was \$794,926 for fiscal 2017. The School qualified for state charter school lease aid based on a statutory cap of \$1,314 per pupil unit, or \$715,250. 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, 2017**

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. 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>
2018	\$ 686,562
2019	688,752
2020	689,375
2021	690,094
2022	689,356
2023 - 2027	3,445,950
2028 - 2032	3,446,686
2033 - 2037	3,438,168
2038 and On	4,417,895
Total	\$ 18,192,838

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.

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, 2017**

**TRA Schedule of the School's Proportionate Share of the
 Net Pension Liability**

	Measurement Date June 30,		
	2016	2015	2014
School's Proportion of the Net Pension Liability	0.0322%	0.0310%	0.0333%
School's Proportionate Share of the Net Pension Liability	\$ 7,680,468	\$ 1,917,657	\$ 1,534,440
State's Proportionate Share of the Net Pension Liability Associated with School	770,221	235,202	107,817
Total	<u>\$ 8,450,689</u>	<u>\$ 2,152,859</u>	<u>\$ 1,642,257</u>
School's Covered-Employee Payroll	\$ 1,712,307	\$ 1,582,227	\$ 1,513,629
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	448.55%	121.20%	101.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.88%	76.80%	81.50%

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
TRA SCHEDULE OF SCHOOL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2017**

**TRA Schedule of School Contributions
Last Three Fiscal Years**

	Fiscal Year Ending June 30,		
	2017	2016	2015
Statutorily Required Contribution	\$ 134,040	\$ 128,423	\$ 118,667
Contributions in Relation to the Statutorily Required Contribution	(134,040)	(128,423)	(118,667)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 School's Covered-Employee Payroll	 \$ 1,787,200	 \$ 1,712,307	 \$ 1,582,227
Contributions as a Percentage of Covered-Employee Payroll	7.50%	7.50%	7.50%

**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, 2017**

**PERA Schedule of the School's Proportionate Share of the
 Net Pension Liability**

	Measurement Date June 30,		
	2016	2015	2014
School's Proportion of the Net Pension Liability	0.0054%	0.0045%	0.0042%
School's Proportionate Share of the Net Pension Liability	\$ 438,453	\$ 233,213	\$ 197,295
School's Covered-Employee Payroll	346,507	265,356	214,828
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	126.54%	87.89%	91.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.90%	78.20%	78.70%

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
PERA SCHEDULE OF SCHOOL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2017**

**PERA Schedule of School Contributions
Last Three Fiscal Years**

	Fiscal Year Ending June 30,		
	2017	2016	2015
Statutorily Required Contribution	\$ 29,436	\$ 25,988	\$ 19,570
Contributions in Relation to the Statutorily Required Contribution	(29,436)	(25,988)	(19,570)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
 School's Covered-Employee Payroll	 \$ 392,480	 \$ 346,507	 \$ 265,356
Contributions as a Percentage of Covered-Employee Payroll	7.50%	7.50%	7.38%

SUPPLEMENTARY INFORMATION

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
JUNE 30, 2017**

	AUDIT	UFARS	DIFFERENCE
01 GENERAL FUND			
Total Revenue	\$ 5,125,242	\$ 5,125,241	\$ 1
Total Expenditures	4,987,900	4,987,899	1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	72,193	72,193	-
<i>Restricted:</i>			
403 Staff Development	-	-	-
405 Deferred Maintenance	-	-	-
406 Health and Safety	-	-	-
407 Capital Project Levy	-	-	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	-	-	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	-	-	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Sage Schools Crime Levy	-	-	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	56,200	56,199	1
<i>Unassigned:</i>			
422 Unassigned Fund Balance	1,892,699	1,892,699	-
02 FOOD SERVICE			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	-	-	-
432 E.C.F.E.	-	-	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	-	-	-
447 Adult Basic Education	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
08 TRUST			
Total Revenue	\$ 8,000	\$ 8,000	\$ -
Total Expenditures	8,000	8,000	-
<i>Net Position:</i>			
422 Net Position	-	-	-

OTHER REQUIRED REPORTS



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, each major fund, and the aggregate remaining fund information of Math and Science Academy as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 31, 2017.

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
August 31, 2017



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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, each major fund, and the aggregate remaining fund information of Math and Science Academy as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 31, 2017.

The *Minnesota Legal Compliance Audit Guide for Charter Schools* 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 Charter Schools*, except as described in the Schedule of Findings as item 2017-001. 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 written response to the legal compliance finding identified in our audit are described in the Schedule of Findings. Math and Science Academy's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 31, 2017

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2017**

A. FINDINGS – MINNESOTA LEGAL COMPLIANCE

CURRENT YEAR

FINDING: 2017-001 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 expenditures, we noted that one credit card statement had not been paid in full for one month due to employees not providing the supporting invoices and receipts for part of the transactions included on the credit card statement. Therefore, payment was made to vendors beyond the allowed period.

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 related to credit card transactions and the payment of the related statement have been revised to ensure all support is received timely to ensure the timely payment of the entire credit card statement amount.

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 2018.

Plan to Monitor Completion of CAP:

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



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August 31, 2017

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

Dennis Hoogeveen, CPA
Principal

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

EXECUTIVE AUDIT SUMMARY (EAS)

JUNE 30, 2017

**MATH AND SCIENCE ACADEMY
CHARTER SCHOOL NO. 4043
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YEAR ENDED JUNE 30, 2017**

EXECUTIVE AUDIT SUMMARY

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APPENDIX A

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**EXECUTIVE AUDIT SUMMARY (EAS)
FOR
MATH AND SCIENCE ACADEMY
YEAR ENDED JUNE 30, 2017**

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 the full amount of one credit card statement not being paid by the credit card statement’s due date.

Enrollment – For fiscal 2016-17, Math and Science Academy served a net average daily membership of 468.25 (or 544.33 pupil units). For fiscal year 2015-16, the School had served an average daily membership of 459.02 (or 533.90 pupil units).

Fund Balance – For fiscal 2016-17, the fund balance in the General Fund increased by \$137,342. The fund balance ended at \$2,021,092 as of June 30, 2017. The ending fund balance represents 40.5% 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.

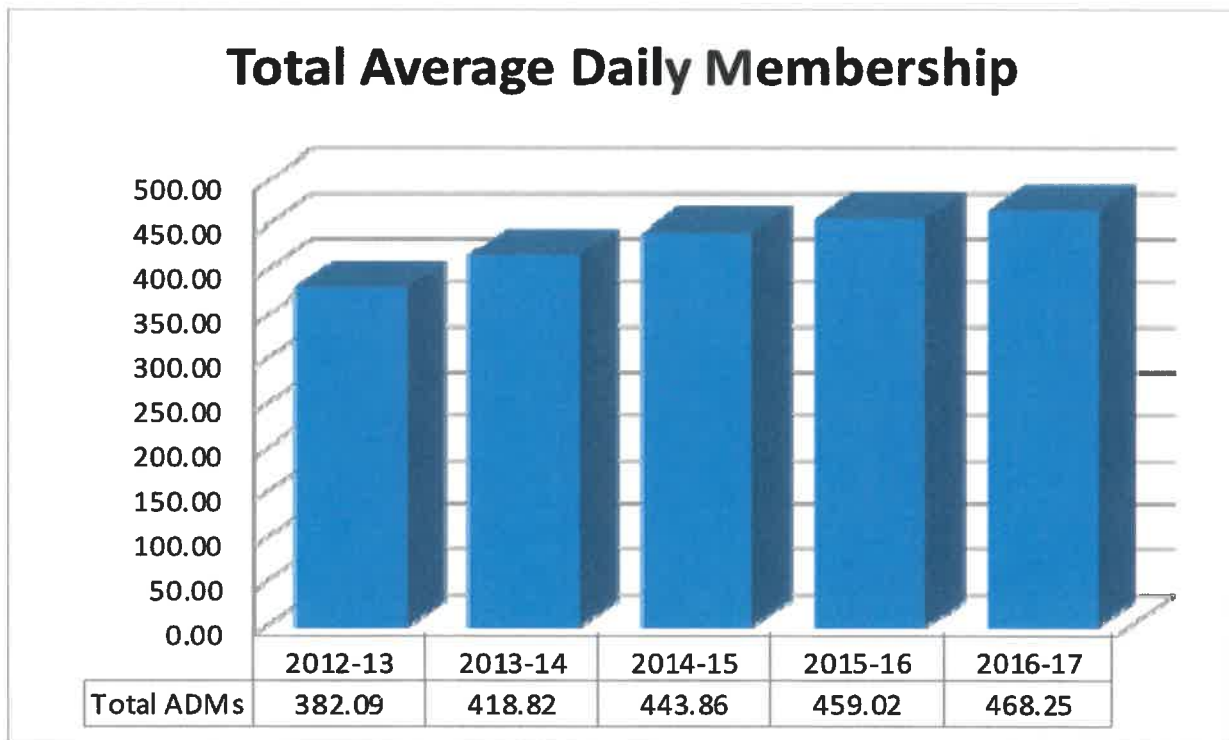
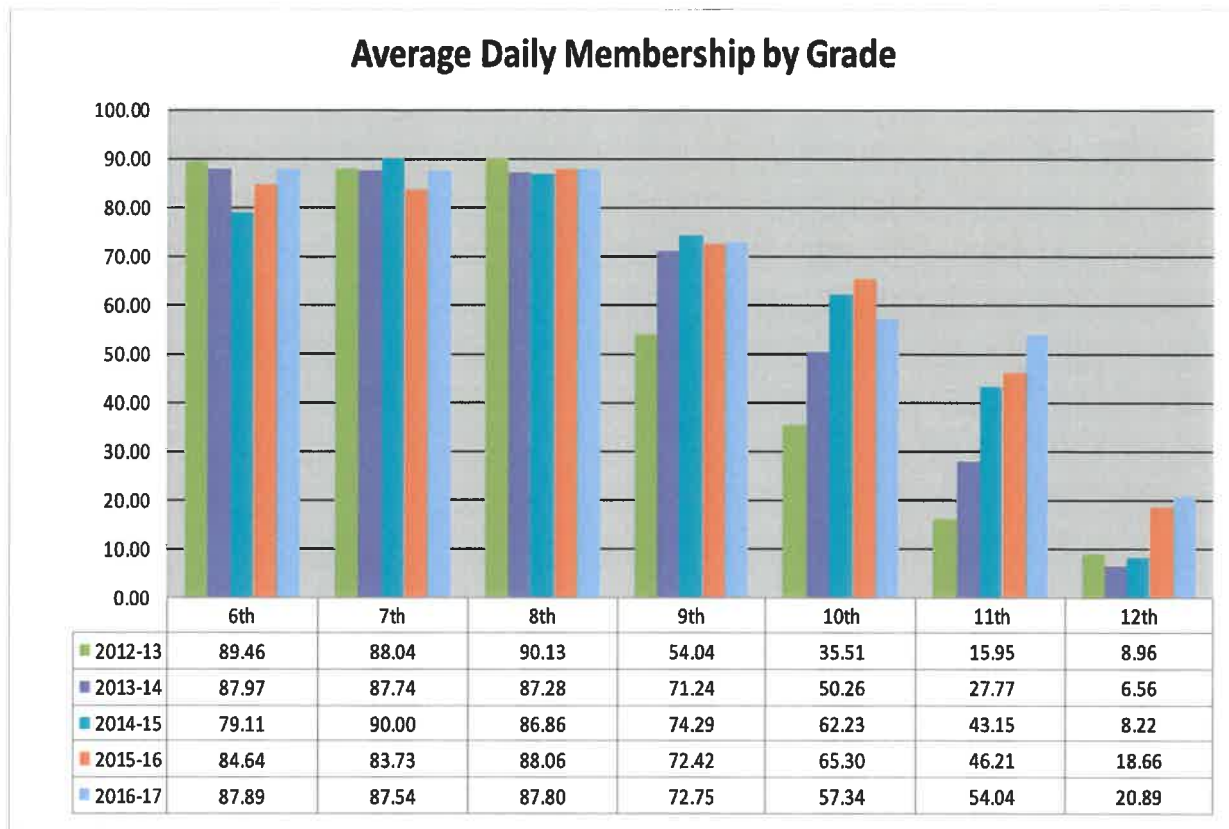
Budget to Actual – Total General Fund revenues on a net basis were \$3,362 (or 0.1%) higher than the budgeted amount while total expenditures were \$132,964 (or 2.6%) lower than had been budgeted. As part of any budget update initiated for fiscal 2017-18, the Board will want to take these variances into 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.

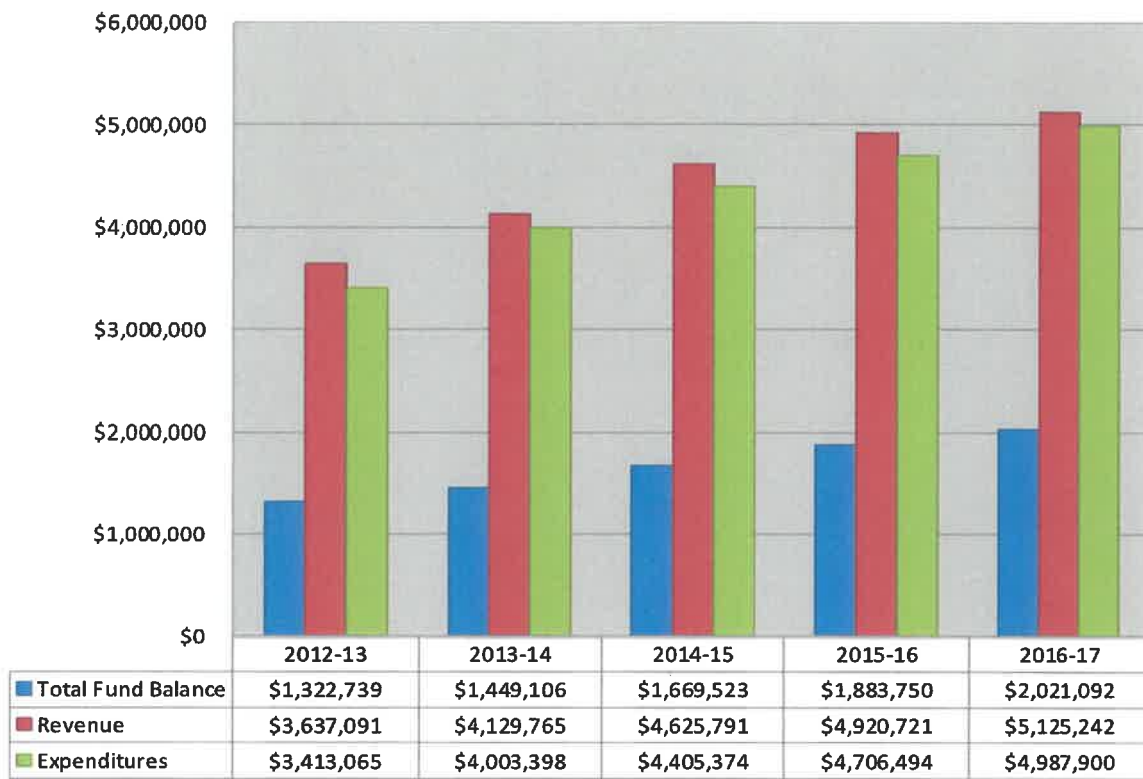
Building Company Debt Covenant Compliance – We want to take this opportunity to remind the Building Company Board that there are some general debt covenants that were agreed to as part of the Loan and Trust Agreements made between Math and Science Academy, the MSA Building Company, the City of Woodbury, 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.

FINANCIAL TRENDS

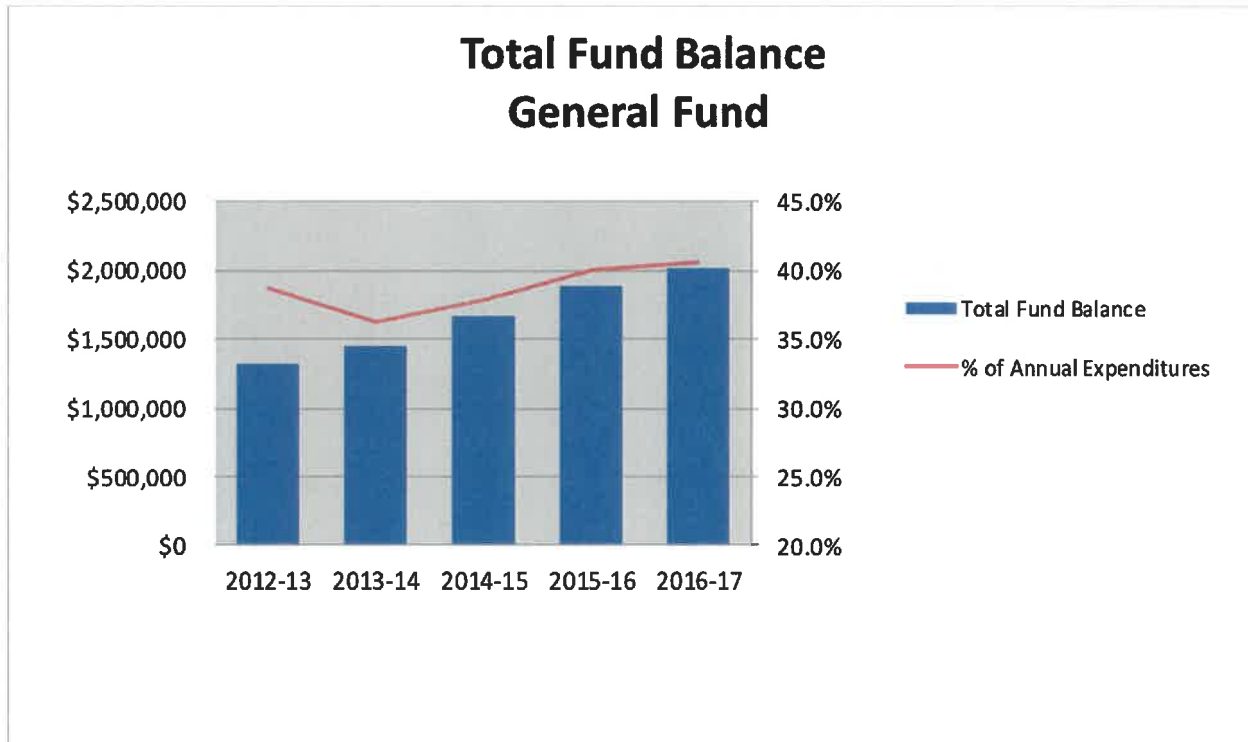
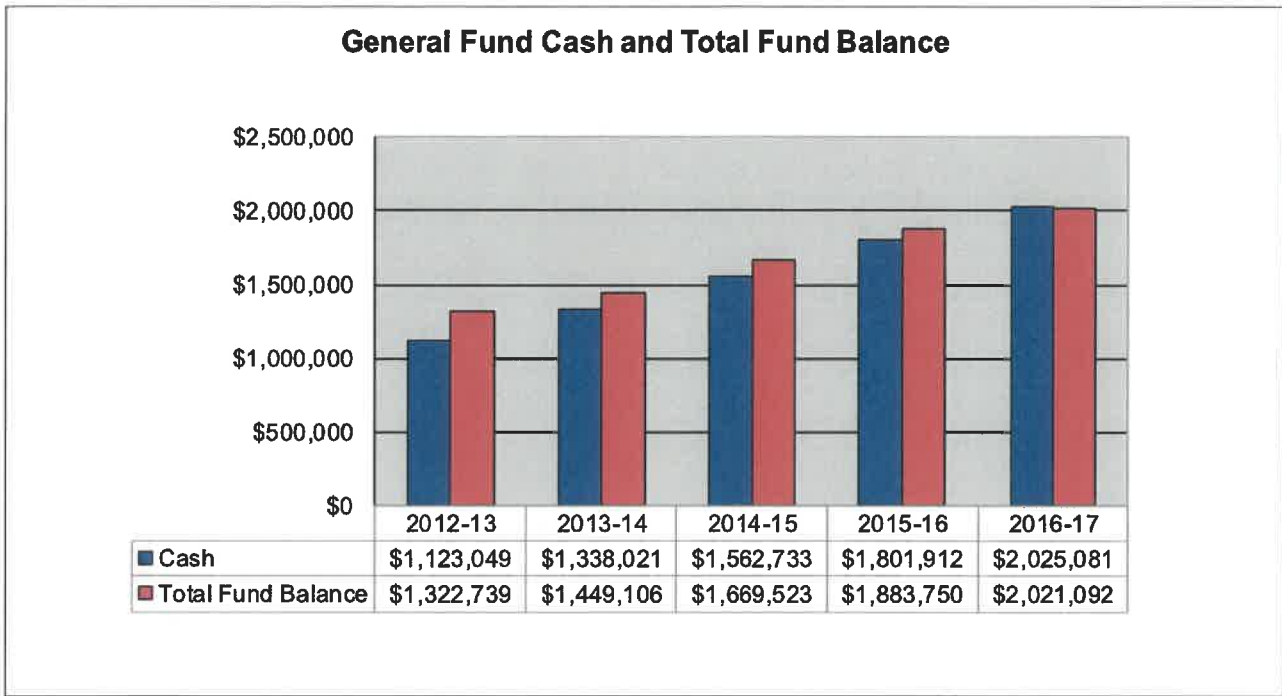


FINANCIAL TRENDS (CONTINUED)

Revenue, Expenditures and Fund Balance - General Fund



FINANCIAL TRENDS (CONTINUED)





APPENDIX A

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, each major fund, and the aggregate remaining fund information of Math and Science Academy (the School) as of and for the year ended June 30, 2017, and have issued our report thereon dated August 31, 2017. 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.

No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2017.

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's 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 2016-17. 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 2017 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 2016-17. Many federal entitlements require that supporting financial reporting information be provided both in the UFARS accounting system and also the SERVVS 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's 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.

There was one uncorrected misstatement that relates to the statement of net position:

- DR Deferral of Refunding Bond Costs \$58,957
- CR Net Investment in Capital Assets \$58,957

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 August 31, 2017.

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.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

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 August 31, 2017.

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
August 31, 2017

Long Range Budget Model

Math and Science Academy Long-Range Budget Projection Model May 9, 2017

	Actual 2015-2016	Adopted Budget 2016-2017	Proposed Budget 2017-2018	2018-2019	2019-2020	2020-2021
Enrollment Projections						
Number of Students Grade 6	85	88	88	88	88	98
Number of Students Grade 7	84	88	88	88	88	90
Number of Students Grade 8	88	88	88	88	88	88
Number of Students Grade 9	72	72	75	75	75	75
Number of Students Grade 10	65	57	65	65	65	66
Number of Students Grade 11	55	59	55	62	62	62
Less Adjustment for Grade 11 PSEO	(8)	(6)	(7)	(6)	(6)	(6)
Adjusted ADM for Grade 11	46	54	48	56	56	56
Number of Students Grade 12	49	50	59	61	61	61
Less Adjustment for Grade 12 PSEO	(30)	(30)	(34)	(32)	(37)	(37)
Adjusted ADM for Grade 12	19	20	25	21	24	24
Total Enrollment/Headcount	498	503	518	519	527	540
Total ADM	459	467	477	481	484	497
Total Number of Current Year Pupil Units (WADM)	533.90	542.82	554.98	559.60	563.44	577.04
State Revenue Assumptions and Calculations						
General Education Revenue	5,947.82	6,066.57	6,157.57	6,248.93	6,312.43	6,375.56
State Averages Per Pupil Unit	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%
Inflation Rate Assumption-Basic only	\$5,670.82	\$5,784.24	\$5,871.00	\$5,959.06	\$6,018.66	\$6,076.84
Basic Excluding Transportation	13.00	13.00	13.00	13.00	13.00	13.00
Gifted and Talented	0.00	0.00	0.00	0.00	0.00	0.00
Transportation Sparsity	29.23	28.93	28.93	28.93	28.93	28.93
Sparsity	225.73	226.11	226.11	226.11	226.11	226.11
Operating Capital	116.46	120.03	120.03	120.03	120.03	120.03
Equity	228.15	151.94	100.00	100.00	100.00	100.00
Referendum	0.67	0.67	0.67	0.67	0.67	0.67
Transition Allowance	17.06	16.82	16.82	16.82	16.82	16.82
Extended Time	6,301.12	6,341.73	6,376.56	6,464.62	6,524.22	6,584.40
Per Pupil Unit State Revenue	0.00	0.00	0.00	0.00	0.00	0.00
Less Pension Adjustment	\$6,301.12	\$6,341.73	\$6,376.56	\$6,464.62	\$6,524.22	\$6,584.40
Total Per Pupil Unit State Revenue	3,364,143	3,442,420	3,538,863	3,617,604	3,676,004	3,799,463
Total General Education State Revenue	3,364,143	3,442,420	3,538,863	3,617,604	3,676,004	3,799,463

**Math and Science Academy
Long-Range Budget Projection Model
May 9, 2017**

	Actual 2015-2016	Adopted Budget 2016-2017	Proposed Budget 2017-2018	2018-2019	2019-2020	2020-2021
	1% per MDE	2% Actual 8-30-16	3% Per 1-4-17	3% estimate	3% estimate	3% estimate
Compensatory Revenue						
A: Number of Students prior yr. (current year for 1st year)	478	503	508	518	519	527
B: Number of Free Lunch Students prior yr. (or current year for	5	10	17	17	17	18
C: Number of Reduced Lunch Students prior yr. (current yr. for	4	6	8	8	8	8
D: Adjusted Counts = 100% Free, 50% Reduced - (A)	7.00	13.00	21.00	21.41	21.45	21.79
E: Concentration Portion	0.01	0.03	0.04	0.04	0.04	0.04
F: Concentration Factor (lesser of 1 or Conc. Portion/ .8)	0.02	0.03	0.05	0.05	0.05	0.05
G: PU = .6 * D * F	0.08	0.25	0.65	0.66	0.67	0.68
H: Initial Revenue	393	1,317	3,463	3,592	3,641	3,740
I: Miscellaneous Adjustment (Rounding)	39	(10)	(65)			
J: Short Year Factor	1	1	1	1	1	1
Calculated Compensatory State Revenue ((A) x (B))	431	1,307	3,398	3,592	3,641	3,740
Building Lease Aid						
Aid at \$1,200 per p.u., change to \$1314 per p.u. 7-1-14	701,544	713,265	729,244	735,314	740,360	758,231
Aid at 90% of Lease	702,990	713,265	729,244	735,314	740,360	758,231
Lesser of per pupil unit or 90% of lease payment	1317	1314	1314	1314	1314	1314
90% of lease payment-per pupil unit	701,544	713,265	729,244	735,314	740,360	758,231
Estimated Proration of Lease Aid Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Prorated Building Lease Aid Revenue	701,544	713,265	729,244	735,314	740,360	758,231
Lease Aid Revenue per pupil unit(before proration)	1314	1314	1314	1314	1314	1314
Long-Term Facilities Maintenance Revenue						
Revenue per Adjusted Pupil Unit	34	34	85	132	132	132
Total Long-Term Facilities Maintenance Revenue	18,456	18,456	47,173	73,867	74,374	76,169
Special Education Revenue						
State Special Education Aid and Tuition Billing	94%	94%	94%	94%	94%	94%
Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
484,532	563,245	447,207	465,112	483,724	503,088	
LEP (Limited English Proficiency) State Aid						
Prior Year LEP Eligible ADM	0	1	3	3	1	1
Current Year LEP Eligible ADM	1	3	3	1	1	1
ADM Served	459	467	477	481	484	497
Adjusted LEP ADM	1	3	3	1	1	1
LEP Marginal Cost Pupils	20	20	20	20	20	20
LEP Revenue	14,000	14,000	14,000	14,000	14,000	14,000
Concentration Portion	0.0022	0.0064	0.0063	0.0021	0.0021	0.0020
LEP Concentration Revenue	5	42	41	5	4	4
Total LEP Aid	14,005	14,042	14,041	14,005	14,004	14,004

**Math and Science Academy
Long-Range Budget Projection Model
May 9, 2017**

	<u>Actual 2015-2016</u>	<u>Adopted Budget 2016-2017</u>	<u>Proposed Budget 2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
Revenue Summary and Projections						
State Aids						
General Education Revenue	3,364,143	3,442,420	3,538,863	3,617,604	3,676,004	3,799,463
Less General Ed Reduction (Offset by Stabilization Funds)	0	0	0	0	0	0
LEP Aid	14,005	14,042	14,041	14,005	14,004	14,004
Compensatory Revenue	431	1,307	3,398	3,592	3,641	3,740
Subtotal	3,378,579	3,457,769	3,556,302	3,635,201	3,693,649	3,817,207
Building Lease Aid	701,544	713,265	729,244	735,314	740,360	758,231
Long-Term Facilities Maintenance Revenue	0	18,456	47,173	73,867	74,374	76,169
Prior Year Over/Under accruals/Rounding Adjustment	7,495	103	0	0	0	0
Special Education Aid	484,532	563,245	447,207	465,112	483,724	503,088
Endowment Aid	14,866	16,067	16,427	16,563	16,677	17,080
Other Miscellaneous State Aid	5,134	297	0	0	0	0
Total State Aids	4,591,950	4,769,202	4,796,354	4,926,058	5,008,784	5,171,775
Federal Revenue						
Federal Special Ed	66,823	62,601	68,346	69,700	71,100	72,500
Title II Funds	0	2,201	4,181	4,265	4,400	4,500
Total Federal Revenue	66,823	64,802	72,527	73,965	75,500	77,000
Other Revenue						
Fees from Patrons: Milk, Graduation Gear, AP Exam (005-050)	13,367	8,900	9,300	9,600	9,900	10,400
Fees from Patrons: Study Hall (920-050)	11,125	10,000	10,400	10,700	11,000	11,500
Fees from Students/ Field Trip (105-050)	35,178	42,500	44,300	45,600	46,800	49,000
Interest Revenue	803	850	850	850	850	850
Annual Fund (255)/Capital Campaign	61,370	100,000	75,000	85,000	85,000	85,000
Donations and Miscellaneous Grants	6,791	1,000	0	0	0	0
Miscellaneous Income/Sale of Equipment	1,470	625	0	0	0	0
Year Book Revenues	3,916	4,000	4,200	4,300	4,400	4,600
Insurance Recovery (625)	0	0	0	0	0	0
Student Activity Revenue	127,928	120,000	125,100	128,600	132,000	138,300
Total Other Revenue	261,948	287,875	269,150	284,650	289,950	299,650
Total Revenue	4,920,721	5,121,879	5,138,031	5,284,673	5,374,234	5,548,425

**Math and Science Academy
Long-Range Budget Projection Model
May 9, 2017**

	Actual 2015-2016	Adopted Budget 2016-2017	Proposed Budget 2017-2018	2018-2019	2019-2020	2020-2021
Expenditure Calculations						
New Staff Calc - Staff increases based on enrollment increases						
Actual/projected enrollment change from prior year	15	8	10	4	3	13
Added new teacher FTE's - calculated at 20:1 ratio (rounded)	1.0	0.0	0.0	0.0	0.0	1.0
Other Teachers/Non-teachers Added						
Additional staff budget added	0	0	0	0	0	0
Total new teachers added/subtracted						
Projected new teacher (1FTE) Salary cost		43,000	44,505	45,395	46,303	47,229
Added salary cost - teachers (added FTE's times cost)		see payroll budget	0	0	0	47,229
Added cost - others per above	0	0	25,000	0	0	0
Inflation Assumptions						
Salaries	2.0%	2.0%	3.5%	2.0%	2.0%	2.0%
Other costs	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Budget Calculations						
100 Salaries	32.6%	30.4%	32.4%	33.4%	34.4%	35.4%
200 Benefits	1,711,159	1,918,930	1,928,320	1,966,900	2,006,200	2,093,600
100 Extracurricular Stipends	558,225	583,040	625,603	657,788	690,993	742,032
100 Study Hall (920)	49,588	61,582	77,223	78,800	80,400	82,000
305 Contracted Services	13,236	0	0	0	0	0
315 Repairs and Maintenance for Computers	203,308	196,790	215,338	221,400	227,300	238,100
320 Communications Services	0	18,000	18,800	19,300	19,800	20,700
329 Postage	20,357	19,940	26,755	27,500	28,200	29,500
330 Utilities	2,453	2,600	2,700	2,800	2,900	3,000
340 Insurance	85,408	86,400	95,440	101,400	103,400	105,500
350 Repairs and Maintenance	24,532	27,600	28,543	29,100	29,700	30,300
360 Field Trip Transportation	76,791	97,500	89,083	91,600	94,100	98,600
366 Travel and conferences	8,521	9,800	10,200	10,500	10,800	11,300
369 Field Trip Admissions	38,794	40,000	41,700	42,900	44,000	46,100
	22,241	32,700	34,100	35,100	36,000	37,700
Lease Payments per Amended Lease (Nov 2012)	688,345	686,679	686,562	688,752	689,375	690,094
8490 Woodbury Crossing			51,450	60,564	62,381	64,252
8490 Woodbury Crossing Real Estate Taxes			20,020	20,821	0	0
8490 Woodbury Crossing Improvement			21,500	0	0	0
Adjustment, Max Lease Aid or Close	92,755	105,838	30,739	46,879	70,866	88,133
370 Total Lease Expense	781,100	792,517	810,271	817,016	822,622	842,479
370 Other Rentals and Operating Leases	15,866	1,028	1,040	1,100	1,100	1,200
380 Computer and Tech Related Hardware Rental	0	11,428	27,828	28,600	29,400	30,800
391 Payments to Other ISD's - CIS Program	6,815	0	0	0	0	0
401 General Supplies/Non-Instructional	63,517	67,000	67,000	68,900	70,700	74,100

**Math and Science Academy
Long-Range Budget Projection Model
May 9, 2017**

	<u>Actual 2015-2016</u>	<u>Adopted Budget 2016-2017</u>	<u>Proposed Budget 2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>
401 Maintenance Supplies	15,862	16,800	16,800	17,300	17,800	18,600
405 Non-Instructional Computer Software & Licensing	20,795	20,415	18,124	18,600	19,100	20,000
406 Instructional Software Licensing		12,000	12,500	12,900	13,200	13,800
430 Instructional Supplies	48,335	34,900	36,000	37,000	38,000	39,800
455 Non-Instructional Technology Supplies		8,000	8,300	8,500	8,700	9,100
460 Textbooks and Workbooks	29,323	33,700	38,700	39,800	40,900	42,800
461 Standardized Tests	13,476	14,000	14,600	15,000	15,400	16,100
465 Non-Instructional Technology Devices		547	600	600	600	600
466 Instruction Technology Devices			3,500	3,600	3,700	3,900
490 Food	908	1,000	1,000	1,000	1,000	1,000
506 Capitalized Instructional Technology Software	0	5,000	5,200	5,300	5,400	5,700
520 Bldg Improvements	58,105	7,500	25,000	25,000	25,700	26,900
530 Furniture and Other Equipment	13,361	35,000	15,000	15,400	15,800	16,500
555 Technology Equipment	46,283	41,700	41,700	42,900	44,000	46,100
740 Interest Expense	0	205	0	0	1,000	1,000
820 Dues and memberships	33,989	38,742	40,400	39,680	40,700	42,600
898 Scholarships	0	500	500	500	500	500
Annual Fund (255)/Capital Campaign	47,224	100,000	75,000	85,000	85,000	85,000
State Special Ed Expenditures / ESY	515,460	599,197	475,753	494,800	514,600	535,200
Federal Special Ed Expenditures (Inc. ARRA)	66,823	62,601	66,346	69,700	71,100	72,500
Title II Funds		2,201	4,181	4,265	4,400	4,500
Student Activity Expenses	114,638	120,000	125,100	128,600	132,000	138,300
Total Expenditures	4,706,493	5,120,863	5,130,248	5,266,149	5,396,216	5,627,512
Annual Surplus	214,228	1,017	7,783	18,523	(21,981)	(79,086)
Beginning fund Balance	1,669,524	1,883,751	1,884,768	1,892,552	1,911,075	1,889,094
Ending Fund Balance	1,883,751	1,884,768	1,892,552	1,911,075	1,889,094	1,810,007
Fund Balance Percentage of Annual Expenditures	40.0%	36.8%	36.9%	36.3%	35.0%	32.2%

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

Math and Science Academy

2017-18 Strategic Plan

Appendix K

Approved March 21, 2017

Vision

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

Mission

We provide accelerated curricula in all subjects, with an emphasis on math and science.

Core Values

- **Honesty:** MSA's community exhibits fairness, cooperation, integrity, and honesty. MSA students and staff take responsibility for their actions.
- **Community:** MSA maintains small class sizes and a small school feel.
- **Respect:** MSA's community respects others and their views, while fostering a safe environment where every voice is heard, and individuals are free to take risks.
- **Teamwork:** MSA encourages networking, collaboration, and open communication between all members of our community. MSA encourages students, their families, and staff to invest their time and resources to serve the MSA community.
- **Excellence:** MSA continuously evaluates and improve programs to ensure the highest quality in teaching and learning. MSA empowers students to develop independence through organization, time management, and self-discipline.

Math and Science Academy

3 - Year Strategic Priorities

PURPOSE

To fulfill the school's mission, vision, and values in order to better serve its students, staff, and families.

STRATEGIC PRIORITIES

<p>INCREASE MISSION-DRIVEN ACADEMIC PROGRAMMING</p> <p>Enhance MSA's distinction for academic excellence through rigor and technology, and focus on academic mission.</p>	<p>ACHIEVE TEACHER AND STAFF EXCELLENCE</p> <p>Build on MSA's reputational quality by recruiting, training and retaining quality teachers and staff.</p>	<p>MAINTAIN AND ENHANCE A ROBUST MSA COMMUNITY</p> <p>Cultivate cohesiveness through communication and collaboration with parents, between teachers and staff, and through purposeful mixed-grade interactions.</p> <p>Broaden MSA's community base by increasing alumni connections, and establishing a Woodbury presence.</p>	<p>SUPPORT MEASURES TO MAKE MSA FINANCIALLY SUSTAINABLE</p> <p>Create and monitor a plan for MSA's financial sustainability through measured expansion (building, teacher, and student growth), and fundraising.</p>	<p>ENSURE OPERATIONAL EXCELLENCE</p> <p>Focus on meeting stakeholder expectations by strengthening the operational effectiveness of MSA.</p>
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CORE INITIATIVES

<ul style="list-style-type: none"> ● Maintain and enhance academic rigor ● Improve and increase STEM programming ● Explore and promote innovative opportunities in academic programming 	<ul style="list-style-type: none"> ● Recruitment ● Professional development ● Retention 	<ul style="list-style-type: none"> ● Cultivate small school ethos ● Cultivate diversity awareness ● Expand MSA community base 	<ul style="list-style-type: none"> ● Measured expansion ● Fundraising 	<ul style="list-style-type: none"> ● Administrative ● Communications ● Marketing
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PERFORMANCE INDICATORS

<ul style="list-style-type: none"> ● Maximize enrollment in AP in core areas of the curriculum, possibly by alternating some courses every other year ● Add high school engineering and computer programming electives, if possible ● Review all courses offerings to make sure technology is being used in each class to the greatest extent possible; make adjustments if it isn't 	<ul style="list-style-type: none"> ● Recruit high quality teachers open to opportunities offered by charter schools ● Provide new and existing teachers/staff clear job descriptions and job performance review process ● Provide professional development opportunities on how technology can be used in the classroom and how to use it 	<ul style="list-style-type: none"> ● Research and develop bridging opportunities between buildings and grades ● Implement a student buddy system/mentoring program ● Provide opportunities for middle school students to connect with/shadow high school students ● Look for service opportunities for students to have an impact on school operations 	<ul style="list-style-type: none"> ● Choose and implement a smart growth option and review annually to ensure that each yearly budget does not result in a deficit ● Increase student capacity size by purchasing or leasing a third school building for the 2017-18 school year ● Target average student-to-teacher ratio of no more than 22:1 	<ul style="list-style-type: none"> ● Build a cohesive and collaborative administration team ● Establish clear roles and responsibilities for administrative staff ● Develop a communications plan which would include target audiences (teachers, support staff, parents, students, alumni, Woodbury community, other), messages for each audience, and a deliberate outreach plan
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<ul style="list-style-type: none"> ● Review the math and science course offerings, compare to other schools who have an accelerated math and science curriculum, and note, and correct deficiencies, if any ● Hire an outside consultant to review educational technology needs, and note deficiencies, if any 	<ul style="list-style-type: none"> ● Review teacher induction (mentoring) program, note and correct any deficiencies, if any ● Make it a priority to engage teacher voice during decision making processes ● Update, clarify, and communicate a clear evaluation system/observation process for teachers and staff ● Minimize teacher room changes 	<ul style="list-style-type: none"> ● Promote class specific celebrations (picnics, etc.) ● Celebrate student diversity and increase cultural competence ● Develop an active MSA alumni network ● Increase City of Woodbury community and business outreach and connections by joining Chamber of Commerce and other civic organizations ● Increase MSA student volunteer opportunities in the Woodbury and surrounding communities (senior housing, library, YMCA, etc.) 	<ul style="list-style-type: none"> ● Ensure that building space is best utilized to provide adequate space for students to learn ● Develop a strategic 3-5 year MSA fundraising plan. ● Continue GTTM as the main fundraising vehicle to facilitate the AFC annual goal of \$100,000 ● Develop marketing piece for MSA that explains charter school funding and needs for the school community 	<ul style="list-style-type: none"> ● Develop and communicate a “brand” for the school including marketing materials ● Develop data base of what scholarships MSA students received, what colleges MSA students attended and where MSA students volunteered
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