

INDEPENDENT SCHOOL DISTRICT 719
PRIOR LAKE-SAVAGE AREA SCHOOLS
PRIOR LAKE, MINNESOTA



2017-18
Comprehensive
Annual Financial Report
Year Ended June 30, 2018

INDEPENDENT SCHOOL DISTRICT 719
PRIOR LAKE-SAVAGE AREA SCHOOLS

P.O. BOX 539
PRIOR LAKE, MN 55372

Comprehensive
Annual Financial Report

Year Ended June 30, 2018

Prepared by:

District Business Office

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
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INTRODUCTORY SECTION



PRIOR LAKE-SAVAGE
AREA SCHOOLS

A community of lifelong learners

To: Citizens of Prior Lake-Savage Area Schools
Board of Education
Staff of Prior Lake-Savage Area Schools

Date: September 27, 2018

PREFACE

The Comprehensive Annual Financial Report of Independent School District No. 719, Prior Lake-Savage Area Schools (the District) is submitted for the fiscal year (FY) ended June 30, 2018. The District administration accepts total responsibility for the accuracy, completeness, and fairness in presentation of the enclosed financial reports. An independent firm of certified public accountants audits this report.

Independent School District No. 719, also known as Prior Lake-Savage Area Schools, is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board is responsible for legislative and fiscal control of Prior Lake-Savage Area Schools. A superintendent is appointed by the board and is responsible for administrative control of the District. There are no other entities for which the District is considered financially accountable.

These financial statements incorporate the requirements of Statement No. 34 of the Governmental Accounting Standards Board (GASB) entitled *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This standard, issued in June 1999, creates a reporting model of financial information and disclosure, which is comprehensive and attempts to closely reflect the reporting model required for private industry. The reader will notice that two entity-wide basic financial statements created by this standard, the Statement of Net Position and the Statement of Activities, do not contain numerous columns for various funds that have been seen in past governmental financial statements. These two statements consolidate much of the information contained in fund-based financial statements of the past into statements which tend to answer the question: “Is the district better or worse off financially than it was in the previous year?” A comparison of net position should help the reader in answering that question.

Also required as a part of “Required Supplementary Information” by GASB Statement No. 34 is a “Management’s Discussion and Analysis” (MD & A) which allows the District to explain in layman’s terms its financial position and results of operations of the past fiscal year.

The Comprehensive Annual Financial Report is presented in three primary sections as follows:

- Introductory Section
- Financial Section
- Statistical Section

The introduction includes a list of principal officials, an organizational chart, and this transmittal letter.

The financial section includes the basic financial statements, individual fund statements, and related schedules. The report of the Independent Certified Public Accountants is also included in the financial section. Notes to the financial section are provided to enhance the reader's understanding of Prior Lake-Savage Area Schools' accounting policies and procedures. The statistical section incorporates GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*. GASB Statement No. 44 offers a wealth of descriptive and illustrative material designed to minimize the possibility of misinterpretation. GASB incorporated into the statistical section certain data now available for the first time as a result of the implementation of GASB Statement No. 34. GASB established five broad objectives which are used to organize the Statistical Section.

- 1) Financial trends
- 2) Revenue capacity
- 3) Debt capacity
- 4) Demographics and economics
- 5) Operations

The District is required to undergo an annual audit of its Federal Financial Assistance (Single Audit) in accordance with *Government Auditing Standards*, as issued by the Comptroller General of the United States, and the provisions of the Uniform Guidance. Information related to the Single Audit is issued separately and is not included in this report.

DISTRICT STRATEGIC ROADMAP

The School Board approved a strategic roadmap for our District in 2014 that serves as a compass to shape yearly improvement goals and guide the District's educational programs, services, and applied resources. One of the driving forces of the strategic plan was to maintain our current fiscal health and accountability while moving toward achievement of our educational vision. Components include:

School District Mission:

Our mission is to educate all learners to reach their full potential as contributing, productive community members of an ever-changing world. We are innovative, environmentally focused, and wise stewards of our resources.

Vision:

- Sustainable environmental focus sought out by others
- Challenging, diverse and personalized learning
- A culture of excellence fostering a love of learning
- A district of stakeholder partnerships
- Technology enhancing instruction, communication and administration
- Moving towards class size goals through staffing and space
- Innovative and flexible staffing
- Financial stewardship

Core Values:

- **Partnership:** Collaboration of resources and talents to achieve high mutual goals to benefit all
- **Innovation:** Creative problem solving connecting creativity with usefulness
- **Respect:** Valuing of ourselves, each other and our world across all differences
- **Wise stewardship:** Developing and effective use of our knowledge, human, financial, physical, and environmental resources
- **Accountability:** Holding ourselves and each other accountable for our actions and words
- **Strive for Excellence:** Commitment to continuous learning and improvement

Strategic Directions:

- A. Increasing measurable student growth and achievement
- B. Continue financial accountability to community while using available resources to educate students
- C. Expand specialized programming and technology to meet student needs
- D. Expand and embed environmental focus across the District
- E. Integrating technology for teaching and communications; increasing capacity to set standards for all learners
- F. Engage stakeholders

DISTRICT FISCAL FRAMEWORK

The District has a fund balance policy of 8-12% in unassigned funds. The past four years, the District has maintained a fund balance within board policy. Many efforts led to the District's fiscal success:

- An unwavering focus on efficiency improvement in all areas. Items of cost containment that have resulted from these efficiencies include reduction in energy usage, and increased use of technology to automate processes. The District's energy consumption is below \$1 per square foot. Only 25% of the school districts in Minnesota have energy consumption below \$1 per square foot.
- In November 2017, the District's voters approved an operating referendum for 10 years, expiring in 2028. As a result of the successful election the operating referendum per pupil unit is \$924. Local Optional revenue is an additional component of General Education Revenue allowing for \$424 of local revenue. The district's operating referendum includes \$924 PPU with an additional \$424 for local option revenue. The district's bond rating remains at AA2.
- The Prior Lake-Savage District voters also approved a \$109M bond referendum in November of 2017 for several building additions, including additions at: Redtail Ridge Elementary, Jeffers Pond Elementary, Westwood Elementary, Edgewood, Twin Oaks Middle School, Hidden Oaks Middle School, and Prior Lake High School. Renovations will occur at Glendale Elementary, Five Hawks Elementary, and Grainwood Elementary. New Schools include a new 5-section Elementary School and an Alternative Learning Center.
- District's received an additional 2% onto the basic funding formula in 2017-18. The basic formula is \$6,188. Weighting for students K-6 is 1.0, for students 7-12 the weighting factor is 1.2. For students that attend the Alternative Learning Center, the number of seat hours is calculated to determine their Average Daily Membership.
- In 2013, the District and PLSEA voted to implement Q-Comp in the District and it was approved for implementation by MDE for the 2013-14 school year. Q-Comp supports professional development and improves student achievement. Q-Comp meets the requirements of the Teacher Evaluation Plan. The district continues to utilize Q-Comp throughout the district. In 2017-18, the amount of dollars allocated by the legislature for Q-Comp was not sufficient to fund state aid to all schools that are in the program, therefore district's received a pro-rata share of state aid, which requires a higher Q-Comp levy to make the program whole.
- Funding has been below the current annual rate of inflation for the last 20 years. Accordingly, the District continues to utilize sophisticated enrollment and a 10-year budget-forecasting model, along with detailed and conservative budgeting and budget monitoring processes.
- In 2015, MN Legislature approved Long-Term Facility Maintenance Funding for all school districts in Minnesota. The new law, Minnesota Statutes, section 123B.595, offers a comprehensive program to fund a facility 10-year plan developed by a school district, intermediate school district, or cooperative. The LTFM program provides funds for the district 10-year facility plan projects that include Health and Safety (H&S), accessibility, and deferred maintenance.

- In 2013-14 the district implemented an on-line credit card system in which parents pay lunch accounts, community education classes, before and after school care, activity fees, parking fees, field trips and other fees. The first year of the implementation, \$92,417 of these costs were paid through Fee-Pay. The usage of that program has increased each year and in 2017-18, the amount of fees paid through FeePay was \$8,906,255. These dollars are deposited directly into the district accounts and minimizes the need for staff to handle checks or cash.

DISTRICT ACCOMPLISHMENTS AND PROGRAMS

Under the leadership of the School Board and Superintendent Dr. Teri Staloch, the District continues to enjoy academic success.

- **E-STEM SCHOOL – GREEN RIBBON AWARDS**

Several schools in the district have been awarded the US Department of Education Green Ribbon School Award. In 2016-17, Edgewood Pre-School and La ola del lago Spanish Immersion School joined Glendale Elementary, Jeffers Pond Elementary, Five Hawks Elementary, and Redtail Ridge Elementary. In 2012-13, the school district was awarded the US Department of Education Green Ribbon Schools award for the district's focus on environmental education. The US Department of Education selects honorees based on documentation of the applicant's high achievement in the three ED-GRS Pillars:

Pillar I: Reduce environmental impact and costs.

Pillar II: Improve the health and wellness of students and staff.

Pillar III: Provide effective environmental and sustainability education, incorporating STEM, civic skills and green career pathways.

Schools demonstrating exemplary achievement in all three Pillars receive the highest ranking. For this reason, the district focuses on an E-STEM (Environmental, Science, Technology, Engineering, Math) educational model.

- **GIFTED AND TALENTED EDUCATION**

Prior Lake-Savage Schools offers SAGE (School for the Advancement of Gifted Education) a gifted and talented program for students in grades 3-5 at Westwood Elementary School. This program continues into MS and HS as Synergy. In 2017-18, the district had 108 students in this program in grades 3-5.

- **TECHNOLOGY IN THE SCHOOLS**

Since 2015-16, the district has offered 1:1 iPads at grades 8-12. In 2017-18, the district upgraded the Wi-Fi infrastructure at all schools in the district to accommodate for the increased student population and improve connectivity and speed. In 2017-18, the district leased iPads to replace those originally purchased in 2015-16. The district is utilizing previous versions of the iPads and Chromebook carts for Pre-K – Grade 7 to create a 1:2 iPads/computers at these levels.

- **ADVANCED STUDIES PROGRAM**

The Minnesota Center for Advanced Professional Studies (MNCAPS) program was implemented in 2016-17. This is a program offered by Prior Lake-Savage Area Schools and Lakeville Area Public Schools. MNCAPS provides students with real-world immersion learning in professional settings. MNCAPS is a partnership of education, industry, and community, immersing all students in profession-based learning experiences. MNCaps provides a Business Track and a Health Track for students to participate in. In 2016-17, 98 students participated in the MNCaps program in the first semester and 88 students participate in the second semester. In 2017-18, 104 students participated in the First semester and 102 in the 2nd semester.

- **TESTING**

Each year, students attending Prior Lake-Savage Area Schools take the Minnesota Comprehensive Assessment (MCA) Tests in reading, math, and science. The Minnesota Department of Education’s Statewide Testing webpage (<https://education.mn.gov/MDE/dse/test/>) these tests as follows:

- 1) measure student performance on Minnesota’s Academic Standards,
- 2) measure the academic progress of students over time, and
- 3) provide Minnesota graduates a score related to career and college readiness.

Students in grades three through eight are tested in both math and reading. Students in grade ten are tested in reading and students in grade eleven are tested in math. Students in grades five and eight take the science test. Additionally, high school students who have completed biology (typically 10th graders) take the high school science test.

The Minnesota Test of Academic Skills (MTAS) is an alternative test for specific students receiving Special Education Services. Results of this assessment are not included in the information presented here. October 1 enrollment filters are not activated for these results.

Results are reported in four levels: Not Meeting Standards, Partially Meeting Standards, Meeting Standards, and Exceeding Standards. The Meeting Standards and Exceeding Standards levels are considered to be at or above grade level and together constitute the percentage of students proficient.

As a District, the percent of Prior Lake-Savage Area Schools students proficient in reading decreased by 2.0% from 72.4% in 2017 to 70.4% in 2018. 77.7% of students were proficient in math in 2017 and 73.6% of students were proficient in math in 2018, a decrease of 4.1%. There was a 4.1% decrease in the percentage of students showing science proficiency, from 72.6% in 2017 to 68.5% in 2018.

The following overviews provide a comparison of the 2017 MCA-III and 2018 MCA-III test results by both grade level and building. These tables provide a comparison of students at a particular grade level from year to year. To compare specific cohorts of students, move diagonally within the table.

For example, comparing 2017 4th graders’ performance to 2018 5th graders’ performance will determine whether that cohort of students’ proficiency increased over the past year (see *Figure 1.* at right).

Figure 1.

Grade Level	2017 District Percent of Students Proficient	2018 District Percent of Students Proficient
3rd Grade	63.2%	65.9%
4th Grade	65.9%	66.7%
5th Grade	81.8%	77.2%
6th Grade	74.9%	76.3%

Reading Overview

- The scores listed in the table indicate the percentage of students achieving proficiency on the MCA-III Reading Assessment, which measures the 2010 Minnesota Academic Reading Standards. These standards were fully implemented in the 2012-2013 school year.
- All students completed the test online, unless other accommodations were warranted.
- The reading test is adaptive, meaning each question is based on the response to the preceding question.
- 77.3% of eighth grade students in 2016-2017 were proficient. 69.0% of 2017-2018 eighth grade students were proficient, which is a decrease of 8.3%.
- 71.8% of tenth grade students in 2016-2017 were proficient. 62.7% of 2017-2018 tenth grade students were proficient, which is a decrease of 9.1%.
- The percent of students proficient in the 2016-2017 fifth grade cohort decreased by 5.5% from 81.8% in 2017 to 76.3% proficient in 2018.
- The percent of students proficient in the 2016-2017 fourth grade cohort increased by 11.3% from 65.9% in 2017 to 77.2% proficient in 2018.
- PLSAS students are outperforming state peers by between 3.7% and 16.1% at all grade levels.

MCA-III 2018 Reading Scores

Grade Level	2017 District Percent of Students Proficient	2018 District Percent of Students Proficient	Difference between 2017 & 2018	2018 State Percent of Students Proficient	Difference between District and State
3rd Grade	63.2%	65.9%	2.70%	55.7%	10.2%
4th Grade	65.9%	66.7%	0.80%	55.5%	11.2%
5th Grade	81.8%	77.2%	-4.60%	66.9%	10.3%
6th Grade	74.9%	76.3%	1.40%	64.5%	11.8%
7th Grade	71.9%	74.2%	2.30%	58.1%	16.1%
8th Grade	77.3%	69.0%	-8.30%	58.4%	10.6%
10 th Grade	71.8%	62.7%	-9.10%	59.0%	3.7%

District History of MCA-III Reading Scores

Grade Level	2014 District Percent of Students Proficient	2015 District Percent of Students Proficient	2016 District Percent of Students Proficient	2017 District Percent of Students Proficient	2018 District Percent of Students Proficient
3rd Grade	71.9%	70.4%	64.9%	63.2%	65.9%
4th Grade	68.1%	73.3%	71.8%	65.9%	66.7%
5th Grade	82.4%	79.2%	83.2%	81.8%	77.2%
6th Grade	76.1%	77.3%	73.9%	74.9%	76.3%
7th Grade	68.8%	74.1%	75.9%	71.9%	74.2%
8th Grade	66.4%	66.6%	71.1%	77.3%	69.0%
10 th Grade	71.1%	71.4%	72.7%	71.8%	62.7%

2018 MCA-III Individual School Reading Scores – All Grades

- Values indicate the percentage of students in each category. Students in the Exceeds or Meets category are considered to be proficient on the MCAs. Values may not equal 100% due to rounding differences.

School	Exceeds	Meets	Partially Meets	Does Not Meet	Total Proficient in 2018	Total Proficient in 2017
La ola del lago	8.5%	28.8%	16.9%	45.8%	37.3%	n/a
Five Hawks	19.1%	47.3%	19.4%	14.1%	66.5%	64.4%
Glendale	26.5%	50.3%	13.8%	9.4%	76.8%	72.9%
Grainwood	13.8%	44.4%	20.9%	20.9%	58.2%	61.1%
Jeffers Pond	15.6%	55.1%	15.9%	13.4%	70.7%	70.1%
Redtail Ridge	20.2%	53.2%	12.1%	14.5%	73.4%	72.3%
WestWood	35.0%	40.7%	12.6%	11.7%	75.6%	74.9%
Hidden Oaks	29.9%	44.3%	14.9%	10.8%	74.3%	76.3%
Twin Oaks	28.0%	44.0%	18.4%	9.6%	72.0%	73.1%
Prior Lake High School	19.6%	43.7%	22.4%	14.3%	63.3%	72.5%
Bridges ALC (n=14)	7.1%	28.6%	14.3%	50.0%	35.7%	27.3%

Math Overview

- The scores listed below indicate the percentage of students achieving proficiency on the MCA-III Math Assessment, which assesses the 2007 Minnesota Academic Mathematics Standards. These standards were fully implemented in the 2010-2011 school year for grades three through eight and in the 2013-2014 school year for grade eleven.
- Students in all grade levels took the test online, unless accommodations were warranted.
- The math test is adaptive, meaning each question is based on the response to the preceding question.
- 2016-2017 third graders, as a cohort, demonstrated a 5.0% decrease in the percent of students proficient in 2017-2018 as compared to 2016-2017, from 83.5% to 78.5%.
- 2016-2017 fourth graders, as a cohort, demonstrated a 12.3% decrease in the percent of students proficient in 2017-2018 as compared to 2016-2017, from 79.7% to 67.4%.
- 2016-2017 seventh graders, as a cohort, demonstrated a 5.1% decrease in the percent of students proficient in 2017-2018 as compared to 2016-2017, from 79.4% to 74.3%.
- Students are outperforming state peers by 12.7% to 25.1% at all grade levels.

MCA-III 2018 Math Scores

Grade Level	2017 District Percent of Students Proficient	2018 District Percent of Students Proficient	Difference between 2017 & 2018	2018 State Percent of Students Proficient	Difference between District and State
3rd Grade	83.5%	81.3%	-2.2%	66.4%	14.9%
4th Grade	79.7%	78.5%	-1.2%	64.9%	13.6%
5th Grade	72.4%	67.4%	-5.0%	54.7%	12.7%
6th Grade	77.8%	74.2%	-3.6%	53.6%	20.6%
7th Grade	79.4%	79.5%	0.1%	54.4%	25.1%
8th Grade	81.1%	74.3%	-6.8%	57.0%	17.3%
11th Grade	69.5%	60.6%	-8.9%	47.1%	13.5%

District History of MCA-III Math Scores

Grade Level	2014 District Percent of Students Proficient	2015 District Percent of Students Proficient	2016 District Percent of Students Proficient	2017 District Percent of Students Proficient	2018 District Percent of Students Proficient
3rd Grade	87.3%	86.5%	80.4%	83.5%	81.3%
4th Grade	85.7%	87.0%	84.4%	79.7%	78.5%
5th Grade	77.6%	75.1%	74.8%	72.4%	67.4%
6th Grade	77.7%	79.5%	74.4%	77.8%	74.2%
7th Grade	79.8%	80.1%	80.6%	79.4%	79.5%
8th Grade	79.6%	76.4%	78.1%	81.1%	74.3%
11 th Grade	66.8%	70.6%	71.4%	69.5%	60.6%

2018 MCA-III Individual School Math Scores – All Grades

- Values indicate the percentage of students in each category. Students in the Exceeds or Meets category are considered to be proficient on the MCAs. Values may not equal 100% due to rounding differences.

School	Exceeds	Meets	Partially Meets	Does Not Meet	Total Proficient in 2018	Total Proficient in 2017
La ola del lago	16.9%	37.3%	30.5%	15.3%	54.2%	<i>n/a</i>
Five Hawks	24.5%	44.5%	18.5%	12.5%	69.0%	73.8%
Glendale	37.7%	43.8%	13.5%	5.1%	81.5%	78.6%
Grainwood	20.8%	39.1%	20.8%	19.3%	59.9%	69.3%
Jeffers Pond	33.5%	42.8%	13.7%	9.9%	76.4%	80.7%
Redtail Ridge	36.6%	44.1%	13.7%	5.6%	80.6%	82.4%
WestWood	50.0%	32.8%	9.8%	7.5%	82.8%	81.8%
Hidden Oaks	42.3%	34.7%	15.5%	7.5%	77.0%	81.0%
Twin Oaks	40.6%	34.2%	17.6%	7.5%	74.8%	77.8%
Prior Lake High School	23.5%	39.4%	16.5%	20.5%	62.9%	72.9%
Bridges ALC (n=25)	0.0%	4.0%	20.0%	76.0%	4.0%	3.2%

Science Overview

- The scores listed below indicate the percentage of students achieving proficiency on the MCA-III Science Assessment, which measures the 2009 Minnesota Academic Science Standards. These standards were fully implemented in the 2011-2012 school year.
- The MCA-III science assessment was administered to students online, unless accommodations were warranted.
- Unlike the math and reading assessments, the science assessment is not adaptive at this time.
- The percent of fifth graders proficient decreased by 6.5% from 2016-2017 to 2017-2018.
- The percent of eighth graders proficient decreased by 6.5% from 2016-2017 to 2017-2018.
- Students are outperforming state peers by more than 14.7% at all grade levels.

MCA-III 2018 Science Scores

Grade Level	2017 District Percent of Students Proficient	2018 District Percent of Students Proficient	Difference between 2017 & 2018	2018 State Percent of Students Proficient	Difference between District and State
5th Grade	80.3%	73.8%	-6.50%	58.1%	15.70%
8th Grade	71.4%	64.9%	-6.50%	44.7%	20.20%
10th Grade	66.9%	66.7%	-0.20%	52.0%	14.70%

District History of MCA-III Science Scores

Grade Level	2014 District Percent of Students Proficient	2015 District Percent of Students Proficient	2016 District Percent of Students Proficient	2017 District Percent of Students Proficient	2018 District Percent of Students Proficient
5th Grade	81.6%	69.4%	81.7%	80.3%	73.8%
8th Grade	67.0%	71.0%	71.7%	71.4%	64.9%
10 th Grade	69.8%	70.3%	66.2%	66.9%	66.7%

2018 MCA-III Individual School Science Scores – All Grades

- Values indicate the percentage of students in each category. Students in the Exceeds or Meets category are considered to be proficient on the MCAs. Values may not equal 100% due to rounding differences.

School	Exceeds	Meets	Partially Meets	Does Not Meet	Total Proficient in 2018	Total Proficient in 2017
Five Hawks	13.2%	53.5%	27.2%	6.1%	66.7%	71.4%
Glendale	15.9%	57.0%	15.9%	11.2%	72.9%	81.5%
Grainwood	21.0%	53.2%	21.0%	4.8%	74.2%	81.6%
Jeffers Pond	11.5%	60.7%	18.0%	9.8%	72.1%	82.8%
Redtail Ridge	18.3%	67.2%	9.9%	4.6%	85.5%	83.0%
WestWood	31.3%	39.1%	19.5%	10.2%	70.3%	82.7%
Hidden Oaks	14.2%	53.5%	21.5%	10.9%	67.7%	77.4%
Twin Oaks	17.6%	44.5%	25.1%	12.9%	62.1%	64.1%
Prior Lake High School	24.5%	44.3%	21.3%	9.9%	68.9%	68.8%
Bridges ALC (n=27)	0.0%	18.5%	33.3%	48.1%	18.5%	9.1%

Next Steps

District Level

- MCA-III data will be disaggregated by student group (ethnicity, students receiving free and reduced price lunch, students receiving Special Education services, students that are English Learners) to pinpoint existing gaps and develop a plan of action for closing them.
- PLSAS will compare MCA-III results with those of neighboring school districts.
- District administration, building leaders, teachers, and curriculum committees will analyze MCA-III Benchmark Reports to determine districtwide areas of strength and areas requiring growth. Action plans will be integrated into School Continuous Improvement Plans (SCIP) to increase student understanding of specific standards.

School Level

- Buildings will analyze grade level, cohort level, and student level data through the work of their Building Instructional Leadership Teams (BILT). This analysis will fuel the research-based strategies selected for implementation in the SCIP.
- Learning Teams will work with BILTs to further analyze and act upon MCA-III results through SCIP goals, SCIP strategies, and Learning Team goals.
- BILTs and Learning Teams will analyze MCA-III data by student group (ethnicity, students receiving free and reduced price lunch, students receiving Special Education services, and students that are English Learners) to find and determine how to decrease gaps.
- BILTs and Learning Teams will analyze MCA-III Benchmark Reports to determine school wide areas of strength and areas of growth. SCIPs will contain goals that will build on the strengths of the building and close the gaps where areas of opportunity exist.

LOCAL ECONOMIC CONDITION AND OUTLOOK

The Prior Lake-Savage Area School District serves all or part of two cities and four townships in Scott County encompassing 46 square miles. However, the vast majority of the District's households are in the cities of Prior Lake and Savage. In 2016, 81% of the District's households were in these two cities. Only about 1% of Cedar Lake Township and Sand Creek Township are in the Prior Lake-Savage Area School District.

The County's growth is fueled by the upgrading of Highway 169 and the completion of the Bloomington Ferry Bridge. Growth was rapid in the 1990's also, when District households increased by nearly 60%. Housing growth continues to expand in both cities, Prior Lake and Savage. Over the past 5 years, the City of Savage has seen average growth of 210 units per year and the City of Prior Lake has seen growth of 160 units. The housing growth is expected to increase in the city of Savage and maintain growth in the City of Prior Lake for several more years. The Prior Lake-Savage Area School community is a developing suburb with a small town atmosphere. In 2016, the district contracted with Hazel Reinhardt to complete a demographic study of growth in the district. Projections show resident growth to exceed 2,100 students over the next 10 years.

As the population of Prior Lake and Savage has increased so has student enrollment. The District ended the 2017-18 school year with 8,607 students, a 2.7% increase over 2016-17. The previous two years, the district saw a 5% and 3.8% increase in enrollment respectively. The District had 98 students attend Post-Secondary Enrollment Options (PSEO) full-time and 97 students attend PSEO part-time in 2017-18. The vast majority of PSEO students attend Normandale Community College.

Learners in the District attend 10 educational sites. Fiscal year 2017-18 was the fourth year for statewide all-day kindergarten. WestWood Elementary is the home of SAGE Academy, our gifted and talented program for students in grades 3-5. Edgewood houses the district's Spanish Immersion Program, La Ola Del Lago. 2016-17 was the fourth year for La ola del lago with four kindergarten classrooms, and three classrooms each for grades 1-3. This program will grow to a full elementary Grades K-5. All elementary schools offer grades K-5, two middle schools house grades 6-8 and one high school educates grades 9-12. The District also has Bridges Area Learning Center that has grown to over 100 students attending each year.

In 2016-17, all schools were at or over capacity for student enrollment. After a failed referendum in May, 2016, the district engaged a 50-member community facilities task force to review the district's finances, enrollment trends, housing projections and student needs across the district. The task force presented building options to the school board for their consideration. District voters overwhelmingly approved a \$109,300,000 bond referendum on November 7, 2017 with a 63% passage rate. Voters also approved an operating referendum of \$924 per pupil for 10 years with the same 63% passage rate. The district's newly approved referendum amount is less than the 7-county metro average of just under \$1,100 per pupil unit.

District expenditures per pupil are consistently among the lowest in Scott County and the state of Minnesota. As result, the District spends \$2,547 less per student than the 7-county metro average and has one of the lowest administrative costs per student in the metro area. Prior Lake-Savage Schools ranked #241 out of 331 school districts in the state of MN in the amount of revenue received per student.

The District employs over 1,300 staff members. Our staff is focused on our mission: **“Our mission is to educate all learners to reach their full potential as contributing and productive members of an ever-changing global community. We are innovative, environmentally focused, and wise stewards of our resources.”**

PLSAS is considered a “destination district”. Parents are moving into the PLSAS boundaries in order for their child(ren) to attend schools at ISD 719. This is due to the success of the progressive programs that are offered at the school district including: digital learning, Spanish Immersion, SAGE Academy, an ESTEM focus, Bridges ALC, AP classes, College in the Schools, MNCaps, Environmental Pre-School program, along with many other opportunities and programs.

Students have the opportunity to enjoy homemade breakfast and lunch made in-house in each of our buildings through the district’s Child Nutrition Service. 2017-18 was the third year that Prior Lake High School was not receiving benefits from the Federal School Lunch Program, after a successful pilot program in 2015-16. Due to the success of the program at PLHS, the district will remain off of the Federal School Lunch Program. The district continues to monitor factors that would no longer allow the district to be off of the Federal School Lunch Program at PLHS, such as the number of students qualifying for free and reduced priced meals. All other schools in the district remain on the Federal School Lunch Program.

Our bus service is contracted with local vendors. Buildings and grounds staff members are responsible for maintaining the facilities inside and out. A dedicated auxiliary staff includes a wide variety of positions such as lunchroom/playground supervisors, Technology Integrationists, Digital Learning Specialists, special education support paraprofessionals, secretarial/clerical staff, and health support.

Community Services provides educational opportunities to students, parents, and residents of the district by offering before and after school programs and other adult programs, including 55 Alive and Adult Basic Education for individuals to receive their GED. The District has a robust Early Learner Program, including a very successful environmentally focused Pre-School program for three and four year olds called Nature Based Learning. We also offer ECFE, Pre-School Screening, and School Readiness. Before and after school care is also offered via the district’s Kid’s Company Program.

Parent and community volunteers help in all District sites and serve on a number of advisory committees. Our facilities support the schools’ quality educational programs and are used extensively by the community.

Prior Lake-Savage Area Schools owns 11 buildings with 1,320,412 square feet of space. The average age of the buildings in the Prior Lake-Savage School District is 25 years.

INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROL

The District complies with the Uniform Financial Accounting and Reporting Standards (UFARS) for Minnesota schools. UFARS, established in 1976, dictates a modified accrual basis of accounting. An audited annual financial report must be provided to the State Department of Education by December 31, subsequent to year-end on June 30.

The District has established a system of internal controls that provide reasonable assurance that assets are safeguarded from misuse or loss. Reasonable assurance means the cost of controls is weighted against the benefits received. Encumbrances, or open purchase orders, are used as a budgetary control tool and are charged against line item budgets when issued. Specific expenditure, revenue, and detail transaction reports are available “on-line” over the District’s wide area network or in hard copy for individuals with budget responsibilities. The reports can be printed either in the business office or in the administrative office in each building or department.

To accurately track and report financial activities with a focus on site-based accounting, approximately 13,850 accounts have been defined in the District's chart of accounts.

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. This requirement has been complied with and the opinion of CliftonLarsonAllen LLP is included in this report.

CERTIFICATE OF EXCELLENCE AND OTHER INFORMATION

This report has been prepared following the guidelines provide by the Association of School Business Officials International for their Certificate of Excellence in Financial Reporting Program. Achieving recognition by this program has been a long time goal of the District's business office and provides a clear indication of the District's high standards for financial reporting. The District intends to submit this comprehensive Annual Financial Report to the ASBO Certificate Program for consideration. The District has received the ASBO Certificate of Excellence in Financial Reporting for Comprehensive Annual Financial Report for the fiscal years ended June 30, 2009 through June 30, 2017. The District has received the School Finance Award from the Minnesota Department of Education in recognition of outstanding accomplishments in financial management, including compliance with state statutes for six years.

ACKNOWLEDGMENTS

We acknowledge the efforts of the entire business office staff in providing complete and accurate data for this Comprehensive Annual Financial Report.

Sincerely,



Julie Cink, SFO
Executive Director of Business Services



Dr. Teri Staloch
Superintendent of Schools

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2018**

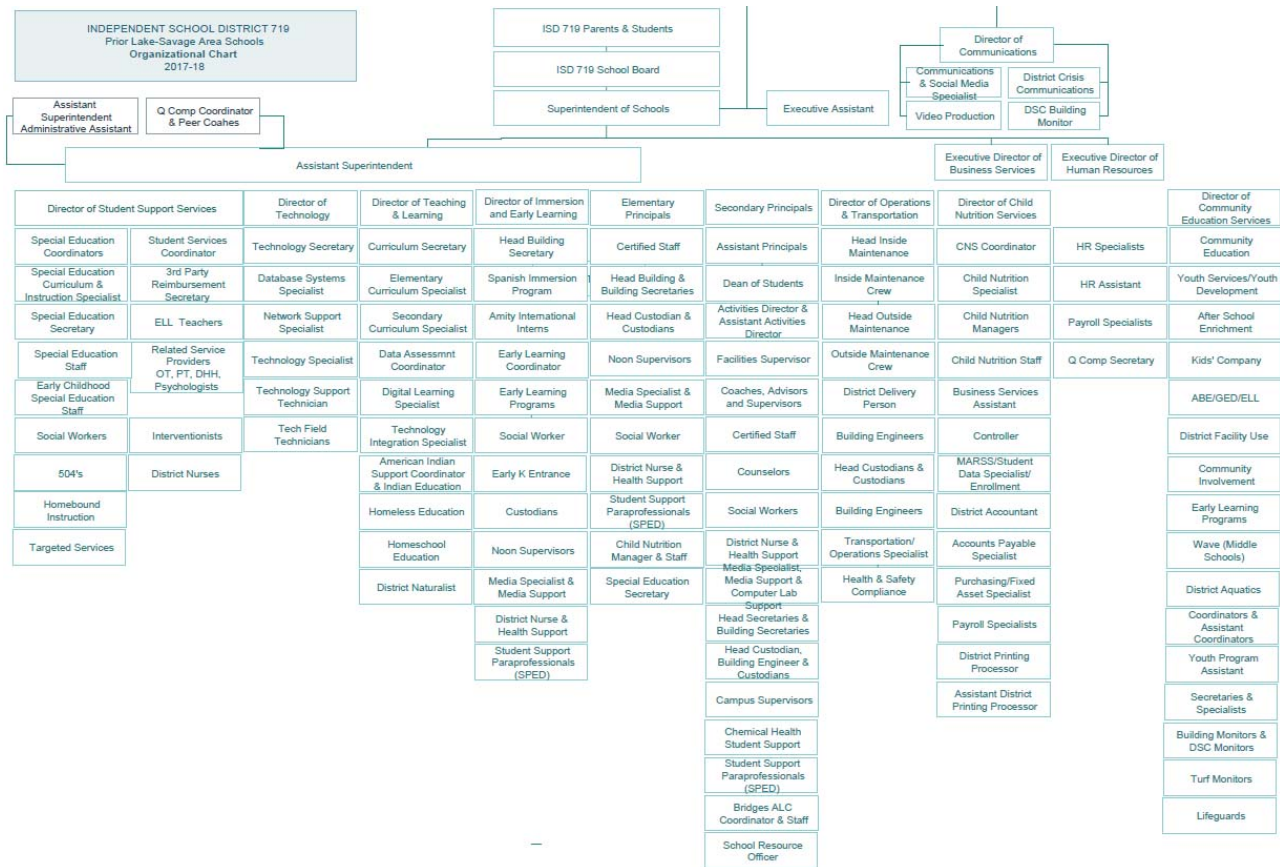
SCHOOL BOARD

NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Melissa Enger	December 31, 2020	Director
Ben Hanson	December 31, 2018	Director
Mary Frantz	December 31, 2020	Director
Richard Wolf	December 31, 2018	Chairperson
Lee Shimek	December 31, 2020	Vice-Chair/Clerk
Stacey Ruelle	December 31, 2018	Treasurer
Todd Sorensen	December 31, 2018	Director

ADMINISTRATION

Dr. Teri Staloch	Superintendent
Julie Cink, SFO	Executive Director of Business Services
District Services Center:	Independent School District No. 719 Prior Lake-Savage Area Public Schools 4540 Tower Street SE Prior Lake, MN 55372

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
ORGANIZATIONAL CHART
JUNE 30, 2018**



PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING
JUNE 30, 2018



The Certificate of Excellence in Financial Reporting
is presented to

Prior Lake-Savage Area Schools

for its **Comprehensive Annual Financial Report (CAFR)**
for the Fiscal Year Ended June 30, 2017.

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE
Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

School Board
Independent School District No. 719
Prior Lake-Savage Area Schools
Prior Lake, 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 Independent School District No. 719 (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District'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 the District as of June 30, 2018, and the respective changes in financial position, where applicable, cash flows thereof and budgetary comparison for the General Fund, Food Service Fund, and Community Service Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the fiscal year ended June 30, 2018, the District adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of this standard, the District reported a restatement for the change in accounting principle (see Note 13). Our auditors' report was not modified with respect to the restatement.

Other Matters

Report on Summarized Comparative Information

We have previously audited the District's 2017 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and we expressed unmodified opinions on respective financial statements in our report dated September 29, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Changes in the District's Total OPEB Liability and Related Ratios, Schedules of District's Proportionate Share of Net Pension Liability, and Schedules of District's Pension 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the individual fund financial statements, the uniform financial accounting and reporting standards compliance table and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 27, 2018

REQUIRED SUPPLEMENTARY INFORMATION

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

This section of Independent School District No. 719's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2018. Please read it in conjunction with the District's financial statements, which immediately follow this letter.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Government Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

Financial Highlights

Key financial highlights for the 2017-18 fiscal year include the following:

- Total net position decreased \$16,566,279. The decrease is primarily due to TRA and PERA pension expenses.
- The District has continued efforts to operate efficiently to reduce costs and keep dollars in the classroom. The District self-funded health insurance five years ago to help reduce the fixed costs of insurance. In addition, the District requests bids and quotes for all fixed cost services and benefits programs throughout the District.
- The District implemented GASB Statement No. 75 during the fiscal year for its other post-employment benefits. The District set up an internal service fund beginning in 2008-09 to start addressing the long-term other postemployment benefit liabilities and has contributed to this fund on an annual basis.

Overview of the Financial Statements

The financial section of the annual report consists of four parts: Independent Auditors' Report, Required Supplementary Information which includes MD&A (this section), the basic financial statements, and supplemental information.

The basic financial statements include several statements that present different views of the District:

- The **government-wide financial statements**, including the *Statement of Net Position* and the *Statement of Activities*, provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are **fund financial statements** that focus on individual parts of the District, reporting the District's operations in more detail than the government-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.
- **Proprietary funds statements** offer short- and long-term financial information about the activities the District operates like businesses.

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

Government-Wide Statements

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

The two government-wide statements report the District's *net position* and how it's changed. Net position – the difference between the District's assets, deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health or *position*.

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or “major” funds – not the District as a whole. Funds are accounting devices the District 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 District may establish other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has two kinds of funds:

- *Governmental Funds* – Most of the District'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 District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements to explain the relationship (or differences) between them.
- *Proprietary Fund* – The District initiated an internal service fund for accumulating resources for the payment of health insurance benefits for eligible employees upon retirement.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's *combined* net position was \$(20,231,800) on June 30, 2018. This was a change of 643% from the prior year (see Table A-1).

The largest part of the District's net position is the investment in capital assets (land, buildings, and equipment) less depreciation and the related debt outstanding that was used to acquire the assets. The District uses the capital assets to provide educational services to students. These are not capital assets available for future spending. Even though the District's investment in capital assets is reported net of the related debt, the resources needed to repay this debt must be provided from other sources because the capital assets cannot be used to liquidate these liabilities.

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

	Governmental Activities as of June 30,		Percentage Change
	2018	2017	
Current and Other Assets	\$ 186,809,290	\$ 76,799,582	143.24 %
Capital Assets	167,374,782	163,713,569	2.24
Total Assets	<u>354,184,072</u>	<u>240,513,151</u>	47.26
Deferred Outflows of Resources	94,659,437	118,081,041	(19.84)
Current Liabilities	11,182,975	9,544,674	17.16
Long-Term Liabilities	399,210,641	315,987,337	26.34
Total Liabilities	<u>410,393,616</u>	<u>325,532,011</u>	26.07
Deferred Inflows of Resources	<u>58,681,693</u>	<u>29,336,068</u>	100.03
Net Position:			
Net Investment in Capital Assets	44,587,428	37,303,408	19.53
Restricted	15,096,644	15,690,859	(3.79)
Unrestricted	(79,915,872)	(49,268,154)	62.21
Total Net Position	<u>\$ (20,231,800)</u>	<u>\$ 3,726,113</u>	(642.97)

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

Changes in Net Position

In Table A-2, Change in Net Position, operations are reported on a governmental-wide basis with no reference to funds.

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

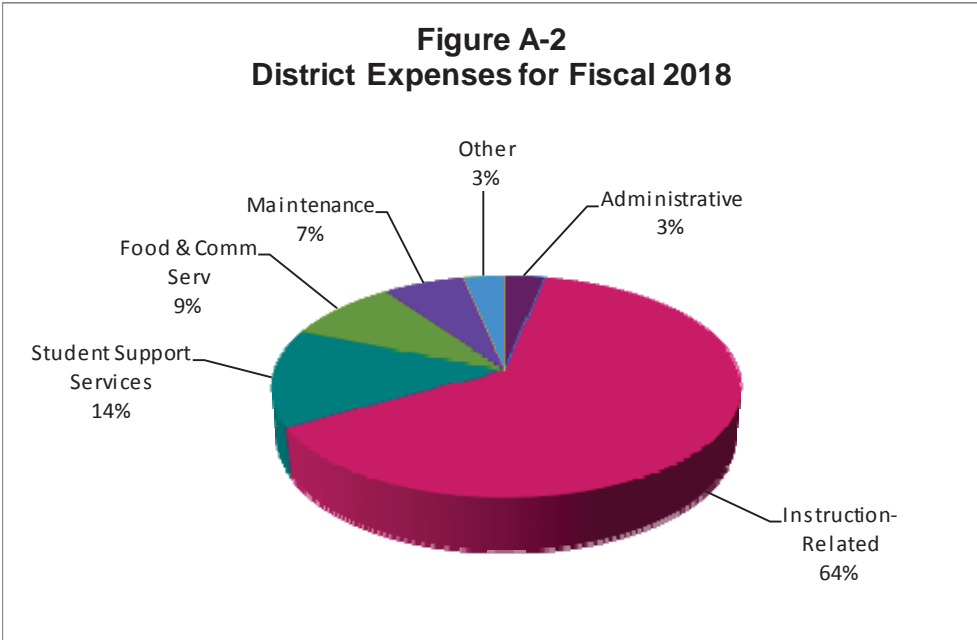
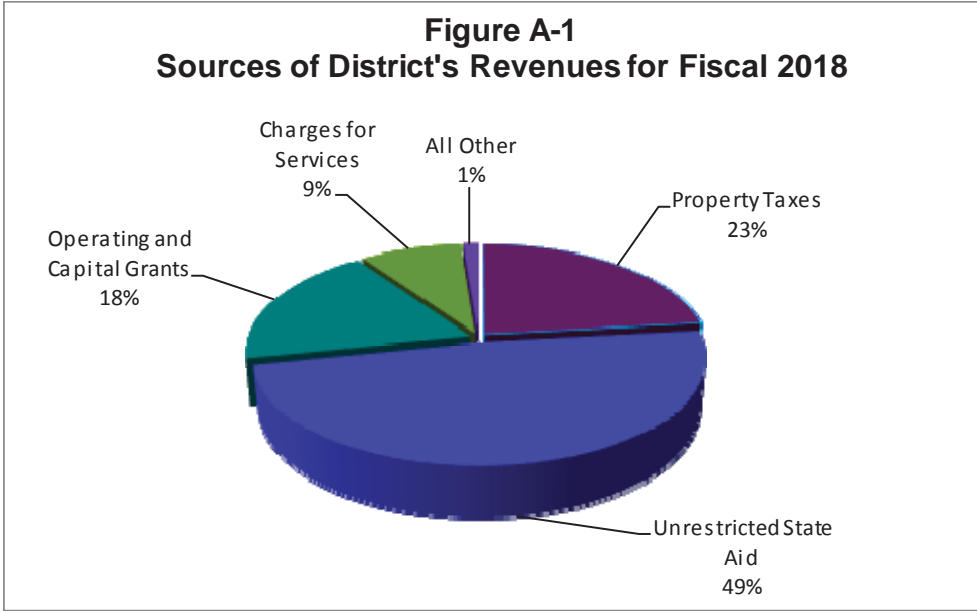
	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2018	2017	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 10,040,441	\$ 9,892,178	1.50 %
Operating Grants and Contributions	20,175,446	14,599,504	38.19
Capital Grants and Contributions	1,465,076	1,243,924	17.78
<u>General Revenues</u>			
Property Taxes	27,465,076	26,951,630	1.91
Unrestricted State Aid	57,357,929	60,615,663	(5.37)
Investment Earnings	1,391,911	451,476	208.30
Other	51,900	814,410	(93.63)
Total Revenues	<u>117,947,779</u>	<u>114,568,785</u>	2.95
Expenses			
Administration	4,124,303	4,311,917	(4.35)
District Support Services	2,861,518	4,266,241	(32.93)
Regular Instruction	63,998,715	58,192,802	9.98
Vocational Education Instruction	914,689	837,285	9.24
Special Education Instruction	21,525,818	20,315,955	5.96
Instructional Support Services	8,558,982	7,723,650	10.82
Pupil Support Services	7,535,599	7,603,631	(0.89)
Sites and Buildings	8,816,867	8,747,855	0.79
Fiscal and Other Fixed Cost Programs	324,005	293,404	10.43
Food Service	4,404,917	5,368,605	(17.95)
Community Service	7,934,182	8,813,045	(9.97)
Interest and Fiscal Charges on Long-Term Liabilities	4,166,426	3,420,106	21.82
Total Expenses	<u>135,166,021</u>	<u>129,894,496</u>	4.06
Change in Net Position	(17,218,242)	(15,325,711)	
Beginning Net Position	3,726,113	19,051,824	
Restatement - Change in Accounting Principle	(6,739,671)	-	
Beginning Net Position - Restated	<u>(3,013,558)</u>	<u>19,051,824</u>	
Ending Net Position	<u>\$ (20,231,800)</u>	<u>\$ 3,726,113</u>	

Total revenues were \$117,947,779 while total expenses were \$135,166,021, decreasing net position by a net of \$17,218,242.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

The cost of all *governmental* activities this year was \$135,166,021.

- Some of the cost was paid by the users of the District's programs (Table A-1, Charges for Services, \$10,041,441). The majority of this category comes from food service meal sales and community education class tuition.
- Most of the District's costs were paid for with local property taxes, unrestricted state aid, investment earnings, and other general revenues. Governmental activities were paid for with \$27,465,076 in property taxes, \$57,357,929 of unrestricted state aid, and with investment earnings and other general revenues.



**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

All governmental funds include not only funds received for the general operation of the District but also include resources from the entrepreneurial-type funds of Food Service and Community Education. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance general operation resources.

Table A-3, seen below, presents the cost of 12 major District activities such as, instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and others. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2018	2017		2018	2017	
Administration	\$ 4,124,303	\$ 4,311,917	(4.35)%	\$ 3,959,307	\$ 4,066,463	(2.64)%
District Support Services	2,861,518	4,266,241	(32.93)	2,839,314	4,241,901	(33.07)
Regular Instruction	63,998,715	58,192,802	9.98	57,776,887	55,606,985	3.90
Vocational Education Instruction	914,689	837,285	9.24	842,364	754,466	11.65
Special Education Instruction	21,525,818	20,315,955	5.96	11,223,137	10,929,095	2.69
Instructional Support Services	8,558,982	7,723,650	10.82	5,875,536	6,271,083	(6.31)
Pupil Support Services	7,535,599	7,603,631	(0.89)	7,172,739	7,249,843	(1.06)
Sites and Buildings	8,816,867	8,747,855	0.79	7,751,780	7,827,534	(0.97)
Fiscal and Other Fixed Cost Programs	324,005	293,404	10.43	324,005	293,404	10.43
Food Service	4,404,917	5,368,605	(17.95)	(290,372)	749,218	(138.76)
Community Service	7,934,182	8,813,045	(9.97)	1,843,935	2,748,792	(32.92)
Interest and Fiscal Charges on Long-Term Liabilities	4,166,426	3,420,106	21.82	4,166,426	3,420,106	21.82
Total	<u>\$ 135,166,021</u>	<u>\$ 129,894,496</u>	4.06	<u>\$ 103,485,058</u>	<u>\$ 104,158,890</u>	(0.65)

The cost of all governmental activities this year was \$135,166,021, an increase of \$5,271,525 over the prior year. After applying program specific revenue, the net cost of all governmental activities this year was \$103,485,058 or a decrease of \$673,832 from the prior year.

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. The Community Service Fund and Capital Projects Fund had more expenditures than revenues, while the General Fund, Food Service Fund, and Debt Service Fund had more revenues than expenditures in 2018. At the end of the 2017-18 fiscal year, the District's governmental funds reported combined ending fund balances of \$133,408,974. This is significantly higher than fiscal year 2017, mainly due to the proceeds of bonds issued in fiscal year 2018 unspent at year-end.

Revenues for the District's governmental funds were \$117,793,096, while total expenditures were \$124,450,245. After including the impact of other financing sources and uses the District's total fund balance for the governmental funds increased by \$103,007,434 mainly due to the bond proceeds referred to above.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

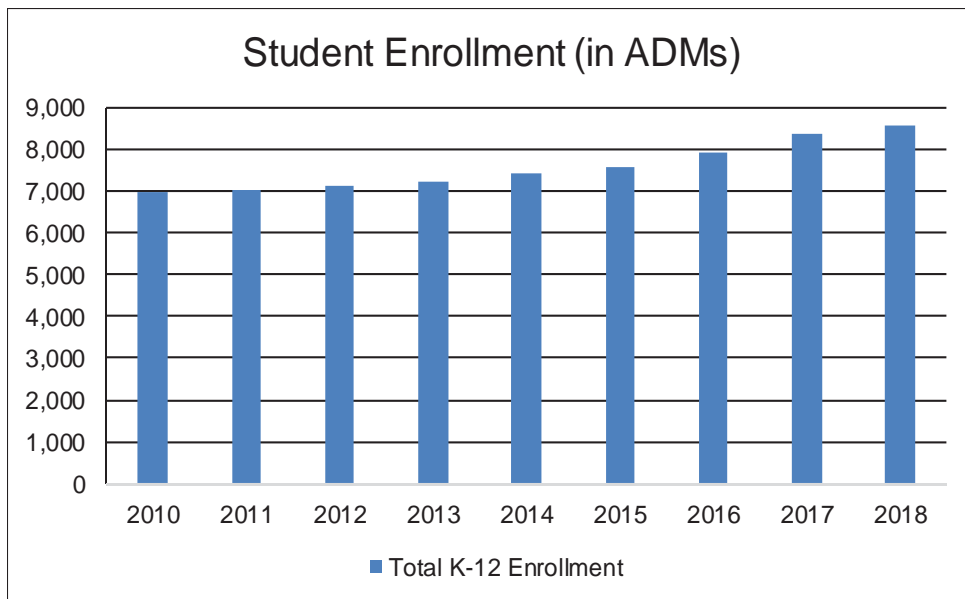
General Fund

The General Fund is used to account for all revenues and expenditures of the School District not accounted for elsewhere. The General Fund is used to account for: K-12 educational activities; district instructional and student support programs; expenditures for the superintendent; district administration; normal operations and maintenance; pupil transportation; capital expenditures; and legal school district expenditures not specifically designated to be accounted for in any other fund.

ENROLLMENT

Enrollment is a critical factor in determining revenue with approximately 70% of General Fund revenue being determined by enrollment. While many Minnesota school districts are facing declining enrollment, during the last five years the District has averaged a 3.5% increase in students. The District recently hired a demographer to help determine the growth of the district in the coming years. The following chart shows that the number of students has increased over the last nine years.

Table A-4



**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

	Year Ended		Change	
	June 30, 2018	June 30, 2017	Increase (Decrease)	Percent Change
Local Sources:				
Property Taxes	\$ 14,051,809	\$ 14,170,104	\$ (118,295)	(0.8)%
Earnings on Investments	317,810	159,232	158,578	99.6
Other	2,029,175	1,668,035	361,140	21.7
State Sources	74,007,130	70,692,619	3,314,511	4.7
Federal Sources	1,904,067	1,445,497	458,570	31.7
Total General Fund Revenue	<u>\$ 92,309,991</u>	<u>\$ 88,135,487</u>	<u>\$ 4,174,504</u>	4.7

General Fund revenue increased by a net of \$4,174,504 or 4.7% from the previous year.

Property Taxes decreased 0.8% from 2017 to 2018. Factors that contribute to levy changes are enrollment growth and property tax base growth. Operating capital revenue, equity revenue and reemployment insurance levies continue to shift revenue from state aid to levy annually.

State Sources increased by \$3,314,511. The increase is primarily due enrollment growth and the increase in basic revenue formula.

Federal Revenue is recorded in the year in which the related expenditure is made. Federal Sources increased by \$458,570.

General Fund Revenue is received in two major categories as follows:

1. State Education Finance Appropriations
 - A. General Education Aid – The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program and is enrollment driven.
 - B. Categorical Aids – Categorical revenue formulas are used to meet costs of that program (i.e. special education) or promote certain types of programs (i.e., career and technical aid, staff development, operating capital).
2. Property Tax Levies

The largest share of the levy is from voter-approved levies: the excess operating referendum which is also enrollment driven.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended June 30, 2018	Year Ended June 30, 2017	Amount of Increase (Decrease)	Percent Increase (Decrease)
Salaries	\$ 53,092,657	\$ 49,608,700	\$ 3,483,957	7.0 %
Employee Benefits	21,447,196	20,301,083	1,146,113	5.6
Purchased Services	10,898,662	9,871,909	1,026,753	10.4
Supplies and Materials	2,522,217	2,114,898	407,319	19.3
Capital Expenditures	2,269,565	2,252,801	16,764	0.7
Debt Service Expenditures	1,010,853	1,011,115	(262)	-
Other Expenditures	220,674	144,331	76,343	52.9
Total General Fund Expenditures	<u>\$ 91,461,824</u>	<u>\$ 85,304,837</u>	<u>\$ 6,156,987</u>	7.2

Total General Fund expenditures increased \$6,156,987 or 7.2% from the previous year.

In fiscal 2018, salaries and benefits increased due to additional staffing due to enrollment growth and salary increases. The District's self-insured health plan was implemented in 2011 and costs increased an average of 1.9% over seven years. Other factors impacting salaries were longevity, education, pay rates, and other items included in bargaining agreements. The District had implemented a self-insured model for dental insurance for fiscal 2013 with no increase to those rates in four years.

Purchased Services and Supplies and Materials consist of expenditures for fees for service, legal fees, postage, utilities, diesel and gasoline, property insurance, maintenance repairs, leases, travel, telephone, tuition, instructional supplies, and textbooks.

General Fund Budgetary Highlights

After initial approval of the budget, the District revised the budget based on changes in unbudgeted costs or revenue changes. The District anticipated in its final budget that the net change in General fund balance would be a slight decrease. The total fund balance increased resulting in a total fund balance of \$16,337,159 at June 30, 2018. A total of \$3,181,737 of this balance is restricted for Staff Development, Health and Safety, Operating Capital, Achievement and Integration, Safe School Crime Levy and Long Term Facilities Maintenance.

Actual revenues were \$1,150,759 (or 1.3%) more than budgeted primarily due to additional local revenue from increased enrollment and recognition of special education revenue related to prior year costs. The actual expenditures were \$1,267,638 (or 1.4%) less than budgeted mainly due to unspent expenditures related to staffing and supplies, along with staff development carryovers, site allocation carryovers and LTFM carry-over. The District will complete LTFM projects with the site construction projects.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

Food Service Fund

The Food Service Fund revenue for 2017-18 totaled \$4,711,794 and expenditures were \$4,440,661. The June 30, 2018 fund balance is \$1,119,144, an increase of \$271,133 from fiscal year 2017. The District anticipated a slight increase in the fund balance. This was the third year the District was not on the Federal School Lunch Program at PLHS. There was a significant increase in participation at PLHS and increased participation at all levels. Fund balances in the Food Service Fund are restricted for use in the District's food service program. The District did not purchase equipment in 2017-18 which increased the fund balance. The District will be utilizing this fund balance to purchase additional equipment for the new kitchens.

Community Service Fund

The Community Service Fund revenue for 2017-18 totaled \$6,839,581 and expenditures were \$7,370,403. The June 30, 2018 total fund balance is \$1,159,003, a decrease of \$530,822 from fiscal year 2017. Community Services provides educational opportunities to students, parents, and residents of the district by offering ECFE, Nature Based Pre-School, before and after school programs and other adult programs, including 55 Alive and Adult Basic Education for individuals to receive their GED. The goal is to maintain the total fund balance below 25% of annual expenditures. Fund balances in the Community Service are restricted for Community Education, Early Childhood and Family Education, School Readiness and Adult Basic Education.

Building Construction Fund

The Building Construction Fund is where the District's revenues and expenditures for Long Term Facilities Maintenance and new construction are being tracked. Revenue for 2017-18 totaled \$702,870 and expenditures were \$8,617,151. The District issued 2018A and 2018B bonds during the year totaling \$107,639,049 for the betterment of school sites and facilities. The restricted for capital projects fund balance was \$112,785,736 as of June 30, 2018.

Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction, operating capital, LTFM, or for initial or refunding bonds. The Debt Service Fund revenue for 2017-18 totaled \$13,228,860 and expenditures were \$12,560,206. Other Financing sources and uses include \$10,000 of transfers in from the capital projects fund. Fund balance is restricted for debt service.

Internal Service Fund

The Internal Service Fund operating revenue for 2017-18 totaled \$14,012,238 and operating expenses were \$13,234,859. The June 30, 2018 net position was \$12,865,966, an increase of \$948,901 from fiscal year 2017. The increase in net position is due to positive health and dental utilization. The District's goal is to have a fund balance of 40-50% inclusive of the 2-month claim lag at the end of the fiscal year.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2018, the District had invested over \$241 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). The most significant change from last year is Accumulated Depreciation (More detailed information about capital assets can be found in Note 3 to the financial statements.)

**Table A-7
Capital Assets**

	2018	2017	Percentage Change
Land	\$ 12,483,938	\$ 12,483,938	-
Construction in Progress	4,865,431	191,551	2440.0
Land Improvements	4,407,150	4,297,750	2.5
Buildings and Improvements	201,315,631	198,004,600	1.7
Equipment	18,009,887	16,169,292	11.4
Less: Accumulated Depreciation	<u>(73,707,255)</u>	<u>(67,433,562)</u>	9.3
Total District Capital Assets	<u>\$ 167,374,782</u>	<u>\$ 163,713,569</u>	2.2

Long-Term Liabilities

At year-end, the District had \$205,449,049 in general obligation bonds payable outstanding – reflecting a net 93.6% increase from last year – as shown in Note 4 to the financial statements. The increase in total OPEB liability is due primarily to the implementation of GASB Statement No. 75. The District has a Revocable OPEB Trust Internal Service Fund with an ending net position of \$8,478,580.

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

	2018	2017	Percentage Change
General Obligation Bonds	\$ 205,449,049	\$ 106,115,000	93.6 %
Bond Premium	10,021,388	9,166,866	9.3
Lease Purchase Agreement Payable	9,526,683	10,134,254	(6.0)
Net Pension Liability	161,421,589	185,465,613	(13.0)
Total Pension Liability	667,382	743,518	(10.2)
Total OPEB Liability	11,346,545	3,519,508	222.4
Compensated Absences Payable	778,005	842,578	(7.7)
Total Long-Term Liabilities	<u>\$ 399,210,641</u>	<u>\$ 315,987,337</u>	26.3
Long-Term Liabilities:			
Due Within One Year	\$ 10,086,616	\$ 9,037,871	
Due in More Than One Year	389,124,025	306,949,466	
Total	<u>\$ 399,210,641</u>	<u>\$ 315,987,337</u>	

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

FACTORS BEARING ON THE DISTRICT'S FUTURE

With the exception of the voter-approved excess operating referendum, the District is dependent on the state of Minnesota for most of its revenue authority. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation.

For 2017, the Legislature approved an increase to the funding formula of 2% for fiscal year 2018. The funding formula has been below the current annual rate of inflation for the last 20 years. Accordingly, the District continues to utilize sophisticated enrollment and financial planning tools, along with detailed and conservative budgeting and budget monitoring processes. The District will continue to seek all available sources of funding, respond to enrollment increases, balance revenue to expenditures, and maintain systems that ensure financial stability.

In 2015, MN Legislature approved Long-Term Facility Maintenance Funding for all school districts in Minnesota. The 2015 Minnesota Legislature repealed sources of facilities revenue from three statutes and replaced them with one enhanced revenue program called Long-Term Facilities Maintenance Revenue (LTFM revenue). The new law, Minnesota Statutes, section 123B.595, offers a comprehensive program to fund a facility 10-year plan developed by a school district.

The 2013 Legislature approved funding all-day, every-day Kindergarten for the 2014-15 school year. This has also had an impact on available classrooms throughout the elementary schools as additional classroom spaces were needed to accommodate the all-day every-day Kindergarten. The District implemented a Spanish immersion program "La Ola Del Lago" for Kindergarten students in 2014 and will expand the program thru 4th grade for 2018-19. This program will grow as the students progress through the elementary grade levels.

In 2016-17, all schools were at or over capacity for student enrollment. After a failed referendum in May 2016, the District engaged a 50-member community facilities task force to review District finances, enrollment trends, housing projections and student needs across the district. The task force presented building options to the school board for their consideration. The communities approved a \$109,300,000 bond referendum on November 7, 2017 as well as a 10-year operating referendum of \$924 per pupil. This is less than the 7-county metro average of just under \$1,100 per pupil unit.

In 2013, the District and PLSEA voted to implement Q-Comp in the District and it was approved for implementation by MDE for the 2013-14 school year. Today, Q-Comp continues to support professional development and improve student achievement. Q-Comp meets the requirements of the Teacher Evaluation Plan.

In 2013, the School Board approved a 1:1 Technology Implementation plan that provided iPads to all teaching staff in the District and an additional 500 iPads distributed throughout the District schools. In 2014-15, 550 iPads were distributed to students entering 8th grade. For 2015-16, the District increased the implementation timeline to place 2,500 iPads in the hands of all students grades 8-12. In 2017-18, the District replaced the iPads at grades 8-12 and utilized the older version of iPads at grades K-7 to accomplish a 2:1 ratio at these grade levels.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

PLSAS entered into an agreement in 2015-16 to partner with neighboring Lakeville School District to develop a program modeling the Center for Advanced Professional Studies. (MNCAPS) Students fast forward into their future and are fully immersed in a professional culture, solving real world problems using industry standard tools and are mentored by actual employers, all while receiving high school and college credit. MNCaps provides a Business Track and a Health Track for students to participate in. In 2017-18, the District 104 students participate in the MNCaps program in the first semester and 102 students participate in the second semester.

Growth at PLHS is creating overcrowding in the core spaces (cafeteria, gyms, hallways, media center, etc.). These areas and additional classrooms will be needed at PLHS in the immediate future. Currently, PLHS is the 7th largest high school in Minnesota. With the passing of the bond referendum, the District will add additional classroom and core spaces, including cafeteria and gym spaces to accommodate up to 3,200 students at PLHS in the future.

Bridges ALC has seen significant growth as well, with over 100 students attending during 2017-18. The space available in the current location is not sufficient to accommodate this program. With the passing of the referendum, a new ALC will be built on land that the District currently owns near Twin Oaks Middle School.

Both Twin Oaks Middle School and Hidden Oaks Middle School will see additional classroom spaces at each building due to passing of the referendum, as well as cafeteria space, updating the theater at TOMS and other core spaces.

The District's kindergarten class had increased from 541 in 2014-15, 569 in 2015-16, and 616 in 2016-17. The District closed Open Enrollment for 2015-16 and 2016-17 for Glendale and Redtail Ridge Elementary Schools due to space concerns at these schools. The District allowed 40 Open Enrollment students at PLHS and closed Open Enrollment after those slots were filled. For 2017-18 school year the board closed Open Enrollment to 1% for grades 1-12 and limited OE at kindergarten to 75 students.

With the passing of the referendum, the District will add classroom spaces to Redtail Ridge Elementary, Jeffers Pond Elementary and remodel parts of Glendale Elementary, Five Hawks Elementary, Grainwood Elementary, and Westwood Elementary. A new cafeteria will be built between Westwood Elementary and Edgewood Elementary to connect those two schools. A new elementary school will also be built with bond proceeds.

Grade level growth averages 190 students from Kindergarten through 12th grade. Utilizing this trend, the 2017-18 Kindergarten class would graduate with an estimated 805 students.

Moody's Investors Service conducted a review of the District's financial position in 2017-18. As a result of this review, the District retained its bond rating of Aa2. Moody's cited the consistent positive financial position of the District, management's commitment to maintain positive operations, and a large tax base with above average wealth levels as reasons for maintaining the bond rating, even as the District's debt increased due to the bond referendum.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2018**

The rising costs of Special Education without continued increases in revenue for these services continue to hinder Minnesota public schools. The amount of funds the District must use from the general fund to support those services is almost \$6,000,000. This is called the Cross Subsidy. It will be important in the future for the Minnesota legislature to increase funding for Special Education to reduce the cross subsidy for Minnesota schools.

The District 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 DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, I.S.D. No. 719, 4540 Tower Street SE, Prior Lake, Minnesota 55372 or visit the District's website at www.priorlake-savage.k12.mn.us.

BASIC FINANCIAL STATEMENTS

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
STATEMENT OF NET POSITION
JUNE 30, 2018**

ASSETS

Cash and Investments	\$ 162,166,827
Receivables:	
Property Taxes	15,096,056
Other Governments	7,895,405
Other	1,202,667
Prepaid Items	256,772
Inventories	191,563
Capital Assets:	
Land and Construction in Progress	17,349,369
Other Capital Assets, Net of Depreciation	150,025,413
Total Assets	354,184,072

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows - Pension Related	93,934,406
Deferred Outflows - Other Postemployment Benefits Related	725,031
Total Deferred Outflows	94,659,437

LIABILITIES

Salaries Payable	4,186,323
Accounts and Contracts Payable	2,089,948
Accrued Interest	2,588,736
Due to Other Governmental Units	52,892
Unearned Revenue	2,265,076
Long-Term Liabilities:	
Net Pension Liability	161,421,589
Total Pension Liability Due Within One Year	255,909
Total Pension Liability Due in More Than One Year	411,473
Total Other Postemployment Benefits Liability Within One Year	725,031
Total Other Postemployment Benefits Liability Due in More Than One Year	10,621,514
Portion Due Within One Year	10,086,616
Portion Due in More Than One Year	215,688,509
Total Liabilities	410,393,616

DEFERRED INFLOWS OF RESOURCES

Property Taxes Levied for Subsequent Year	31,835,685
Gains on Debt Refunding	878,230
Deferred Inflows - Pension Related	25,967,778
Total Deferred Inflows of Resources	58,681,693

NET POSITION

Net Investment in Capital Assets	44,587,428
Restricted for:	
General Fund Operating Capital Purposes	1,545,266
General Fund State-Mandated Reserves	1,636,471
Food Service	1,119,144
Community Service	1,161,431
Capital Projects - Building Construction	9,634,332
Unrestricted	(79,915,872)
Total Net Position	\$ (20,231,800)

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Total Governmental Activities
Governmental Activities					
Administration	\$ 4,124,303	\$ 48,538	\$ 116,458	\$ -	\$ (3,959,307)
District Support Services	2,861,518	-	22,204	-	(2,839,314)
Regular Instruction	63,998,715	678,388	5,032,253	511,187	(57,776,887)
Vocational Education Instruction	914,689	-	72,325	-	(842,364)
Special Education Instruction	21,525,818	38	10,302,643	-	(11,223,137)
Instructional Support Services	8,558,982	2,283	2,681,163	-	(5,875,536)
Pupil Support Services	7,535,599	213,135	149,725	-	(7,172,739)
Sites and Buildings	8,816,867	-	111,198	953,889	(7,751,780)
Fiscal and Other Fixed Cost Programs	324,005	-	-	-	(324,005)
Food Service	4,404,917	3,693,674	1,001,615	-	290,372
Community Service	7,934,182	5,404,385	685,862	-	(1,843,935)
Interest and Fiscal Charges on Long-Term Liabilities	4,166,426	-	-	-	(4,166,426)
Total School District	<u>\$ 135,166,021</u>	<u>\$ 10,040,441</u>	<u>\$ 20,175,446</u>	<u>\$ 1,465,076</u>	<u>(103,485,058)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					
					14,052,349
Community Service					
					637,697
Debt Service					
					12,775,030
State Aid Not Restricted to Specific Purposes					
					57,357,929
Earnings on Investments					
					1,391,911
Miscellaneous					
					51,900
Total General Revenues					<u>86,266,816</u>
CHANGE IN NET POSITION					(17,218,242)
Net Position - Beginning					3,726,113
Change in Accounting Principle - See Note 13					(6,739,671)
Net Position - Beginning, as Restated					<u>(3,013,558)</u>
NET POSITION - ENDING					<u>\$ (20,231,800)</u>

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2017)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2018	2017
ASSETS							
Cash and Investments	\$ 21,211,200	\$ 1,129,743	\$ 1,584,089	\$ 112,139,992	\$ 10,134,685	\$ 146,199,709	\$ 38,982,177
Receivables:							
Current Property Taxes	7,837,270	-	272,740	-	6,881,620	14,991,630	13,561,002
Delinquent Property Taxes	53,464	-	2,428	-	48,534	104,426	103,345
Accounts and Interest Receivable	332,589	10,591	134,904	709,152	-	1,187,236	480,086
Due from Other Minnesota School Districts	395,438	-	8,015	-	-	403,453	193,202
Due from Minnesota Department of Education	7,300,463	5,804	81,897	-	30,570	7,418,734	8,481,562
Due from Federal through Minnesota Department of Education	57,670	15,548	-	-	-	73,218	47,074
Inventory	106,487	85,076	-	-	-	191,563	153,528
Prepays	207,446	15,717	33,609	-	-	256,772	220,999
Total Assets	\$ 37,502,027	\$ 1,262,479	\$ 2,117,682	\$ 112,849,144	\$ 17,095,409	\$ 170,826,741	\$ 62,222,975
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
Liabilities:							
Salaries and Compensated Absences Payable	\$ 3,949,999	\$ -	-	-	-	\$ 3,949,999	\$ 3,551,617
Payroll Deductions and Employer Contributions Payable	233,733	944	1,647	-	-	236,324	211,063
Accounts and Contracts Payable	486,589	2,552	50,586	63,408	-	603,135	670,744
Due to Other Governmental Units	52,892	-	-	-	-	52,892	52,604
Unearned Revenue	187,488	139,839	307,979	-	-	635,306	605,129
Total Liabilities	4,910,701	143,335	360,212	63,408	-	5,477,656	5,091,157
Deferred Inflows of Resources:							
Property Taxes							
Levied for Subsequent Year	16,200,703	-	596,039	-	15,038,943	31,835,685	26,626,933
Unavailable Revenue - Delinquent Property Taxes	53,464	-	2,428	-	48,534	104,426	103,345
Total Deferred Inflows of Resources	16,254,167	-	598,467	-	15,087,477	31,940,111	26,730,278
Fund Balance:							
Nonspendable:							
Inventory	207,446	85,076	-	-	-	292,522	153,528
Prepays	106,487	15,717	33,609	-	-	155,813	220,999
Restricted for:							
Staff Development	148,763	-	-	-	-	148,763	226,347
Health and Safety	-	-	-	-	-	-	219,620
Operating Capital	1,545,266	-	-	-	-	1,545,266	1,551,746
Community Education	-	-	594,504	-	-	594,504	1,073,860
Early Childhood and Family Education	-	-	429,474	-	-	429,474	361,349
School Readiness	-	-	101,416	-	-	101,416	224,840
Achievement and Integration Revenue	10,512	-	-	-	-	10,512	152,955
Safe Schools Levy	74,591	-	-	-	-	74,591	107,470
Long Term Facilities Maintenance	1,268,722	-	-	6,999,479	-	8,268,201	-
Medical Assistance	133,883	-	-	-	-	133,883	11,785,439
Restricted for Other Purposes	-	1,018,351	-	105,786,257	2,007,932	108,812,540	2,109,111
Assigned	3,521,068	-	-	-	-	3,521,068	3,591,010
Unassigned	9,320,421	-	-	-	-	9,320,421	8,623,266
Total Fund Balance	16,337,159	1,119,144	1,159,003	112,785,736	2,007,932	133,408,974	30,401,540
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 37,502,027	\$ 1,262,479	\$ 2,117,682	\$ 112,849,144	\$ 17,095,409	\$ 170,826,741	\$ 62,222,975

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total Fund Balance for Governmental Funds \$ 133,408,974

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	12,483,938
Construction in Progress	4,865,431
Land Improvements, Net of Accumulated Depreciation	2,484,400
Buildings and Improvements, Net of Accumulated Depreciation	140,746,066
Equipment, Net of Accumulated Depreciation	6,794,947

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds. 104,426

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditures when due. (2,588,736)

Deferred amounts on refundings are not current financial resources and, therefore, are not reported in the governmental funds. (878,230)

The District'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	(161,421,589)
Deferred Outflows of Resources - Pensions	93,678,497
Deferred Inflows of Resources - Pensions	(25,963,217)

The District's Total Pension Liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

Total Pension Liability	(667,382)
Deferred Outflows of Resources - Pensions	255,909
Deferred Inflows of Resources - Pensions	(4,561)

The District's Total Other Postemployment Benefits Liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

Total Other Postemployment Benefits Liability	(11,346,545)
Deferred Outflows of Resources - Other Postemployment Benefits	725,031

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	(205,449,049)
Unamortized Premiums	(10,021,388)
Lease Purchase Agreement Payable	(9,526,683)
Compensated Absences Payable	(778,005)

Internal service funds are used by management to charge the costs of health and dental insurance services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position at year-end is: 12,865,966

Total Net Position of Governmental Activities \$ (20,231,800)

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2018	2017
REVENUES							
Local Sources:							
Property Taxes	\$ 14,051,809	\$ -	\$ 637,675	\$ -	\$ 12,774,511	\$ 27,463,995	\$ 27,021,325
Earnings and Investments	317,810	16,505	31,403	702,870	151,801	1,220,389	313,752
Other	2,029,175	3,693,674	5,437,345	-	-	11,160,194	10,651,905
State Sources	74,007,130	218,929	733,158	-	302,548	75,261,765	71,771,894
Federal Sources	1,904,067	782,686	-	-	-	2,686,753	2,249,215
Total Revenues	<u>92,309,991</u>	<u>4,711,794</u>	<u>6,839,581</u>	<u>702,870</u>	<u>13,228,860</u>	<u>117,793,096</u>	<u>112,008,091</u>
EXPENDITURES							
Current:							
Administration	3,106,186	-	-	-	-	3,106,186	3,290,901
District Support Services	3,395,533	-	-	-	-	3,395,533	3,002,180
Elementary and Secondary Regular Instruction	45,011,355	-	-	-	-	45,011,355	41,850,206
Vocational Education Instruction	684,120	-	-	-	-	684,120	629,187
Special Education Instruction	16,672,827	-	-	-	-	16,672,827	15,424,027
Instructional Support Services	5,981,560	-	-	-	-	5,981,560	4,985,570
Pupil Support Services	6,911,160	-	-	-	-	6,911,160	6,794,084
Sites and Buildings	6,094,660	-	-	4,496,712	-	10,591,372	8,163,455
Fiscal and Other Fixed Cost Programs	324,005	-	-	-	-	324,005	293,404
Food Service	-	4,369,240	-	-	-	4,369,240	4,406,833
Community Service	-	-	7,295,691	-	-	7,295,691	6,799,019
Capital Outlay	2,269,565	71,421	74,712	4,120,439	-	6,536,137	1,824,748
Debt Service:							
Principal	607,571	-	-	-	8,305,000	8,912,571	8,756,057
Interest and Fiscal Charges	403,282	-	-	-	4,255,206	4,658,488	5,129,240
Total Expenditures	<u>91,461,824</u>	<u>4,440,661</u>	<u>7,370,403</u>	<u>8,617,151</u>	<u>12,560,206</u>	<u>124,450,245</u>	<u>111,348,911</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	848,167	271,133	(530,822)	(7,914,281)	668,654	(6,657,149)	659,180
OTHER FINANCING SOURCES (USES)							
Insurance Recovery	-	-	-	-	-	-	54,683
Issuance of Bonds	-	-	-	107,639,049	-	107,639,049	11,480,000
Bond Premium	-	-	-	2,025,534	-	2,025,534	1,244,947
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	(24,270,000)
Transfers In	-	-	-	-	10,000	10,000	-
Transfers Out	-	-	-	(10,000)	-	(10,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,654,583</u>	<u>10,000</u>	<u>109,664,583</u>	<u>(11,490,370)</u>
NET CHANGE IN FUND BALANCE	848,167	271,133	(530,822)	101,740,302	678,654	103,007,434	(10,831,190)
FUND BALANCE							
Beginning of Year	15,488,992	848,011	1,689,825	11,045,434	1,329,278	30,401,540	41,232,730
End of Year	<u>\$ 16,337,159</u>	<u>\$ 1,119,144</u>	<u>\$ 1,159,003</u>	<u>\$ 112,785,736</u>	<u>\$ 2,007,932</u>	<u>\$ 133,408,974</u>	<u>\$ 30,401,540</u>

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
RECONCILIATION OF THE STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Net Change in Fund Balance - Total Governmental Funds \$ 103,007,434

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 capital outlays exceeded depreciation in the current period is:

Capital Outlays	9,934,906
Depreciation Expense	(6,273,693)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unearned in the governmental funds.	1,081
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Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expenses on the statement of activities are measured by the change in the net pension liability, total pension liability and the related deferred inflows and outflows of resources.	(24,279,159)
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Other postemployment benefit (OPEB) expenditures in the governmental funds are measured by current year employer contributions. OPEB expenses on the statement of activities are measured by the change in the total OPEB liability and the related deferred inflows and outflows of resources.	(362,335)
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In the statement of activities, certain operating expenses - severance benefits and compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).	64,573
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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:

General Obligation and Certificates of Participation Bond Proceeds	(107,639,049)
Bond Premium or Discount	(2,025,534)
Deferred Charges on Refunding Bonds	115,811
Repayment of Bond Principal	8,305,000
Repayment of Lease Purchase Agreement Payable	607,571
Change in Accrued Interest - General Obligation Bonds	(794,761)
Amortization of Bond Premium	1,171,012

Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue of the internal service funds is reported with governmental activities.	948,901
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Total	\$ (17,218,242)
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**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 14,332,557	\$ 14,330,404	\$ 14,051,809	\$ (278,595)
Earnings and Investments	41,000	80,000	317,810	237,810
Other	1,126,101	1,666,764	2,029,175	362,411
State Sources	72,326,744	73,105,953	74,007,130	901,177
Federal Sources	1,454,660	1,976,111	1,904,067	(72,044)
Total Revenues	<u>89,281,062</u>	<u>91,159,232</u>	<u>92,309,991</u>	<u>1,150,759</u>
EXPENDITURES				
Current:				
Administration	3,131,681	3,111,567	3,106,186	(5,381)
District Support Services	3,093,373	3,588,795	3,395,533	(193,262)
Elementary and Secondary Regular Instruction	43,113,659	45,006,344	45,011,355	5,011
Vocational Education Instruction	719,963	682,401	684,120	1,719
Special Education Instruction	16,465,803	16,661,096	16,672,827	11,731
Instructional Support Services	6,212,084	6,221,300	5,981,560	(239,740)
Pupil Support Services	6,790,533	7,019,567	6,911,160	(108,407)
Sites and Buildings	5,895,348	6,155,907	6,094,660	(61,247)
Fiscal and Other Fixed Cost Programs	302,022	327,022	324,005	(3,017)
Capital Outlay	3,042,131	2,944,348	2,269,565	(674,783)
Debt Service:				
Principal	607,571	607,571	607,571	-
Interest and Fiscal Charges	403,544	403,544	403,282	(262)
Total Expenditures	<u>89,777,712</u>	<u>92,729,462</u>	<u>91,461,824</u>	<u>(1,267,638)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (496,650)</u>	<u>\$ (1,570,230)</u>	848,167	<u>\$ 2,418,397</u>
FUND BALANCE				
Beginning of Year			<u>15,488,992</u>	
End of Year			<u>\$ 16,337,159</u>	

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local Sources:				
Earnings and Investments	\$ -	\$ -	\$ 16,505	\$ 16,505
Other - Primarily Meal Sales	3,779,758	3,779,758	3,693,674	(86,084)
State Sources	174,234	174,234	218,929	44,695
Federal Sources	<u>642,703</u>	<u>642,703</u>	<u>782,686</u>	<u>139,983</u>
Total Revenues	4,596,695	4,596,695	4,711,794	115,099
EXPENDITURES				
Current:				
Food Service	4,442,028	4,478,694	4,369,240	(109,454)
Capital Outlay	<u>88,325</u>	<u>76,027</u>	<u>71,421</u>	<u>(4,606)</u>
Total Expenditures	4,530,353	4,554,721	4,440,661	(114,060)
NET CHANGE IN FUND BALANCE	<u>\$ 66,342</u>	<u>\$ 41,974</u>	271,133	<u>\$ 229,159</u>
FUND BALANCE				
Beginning of Year			<u>848,011</u>	
End of Year			<u>\$ 1,119,144</u>	

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local Sources:				
Property Taxes	\$ 655,823	\$ 649,879	\$ 637,675	\$ (12,204)
Earnings and Investments	-	-	31,403	31,403
Other - Primarily Tuition and Fees	5,306,874	5,867,716	5,437,345	(430,371)
State Sources	<u>761,936</u>	<u>741,806</u>	<u>733,158</u>	<u>(8,648)</u>
Total Revenues	6,724,633	7,259,401	6,839,581	(419,820)
EXPENDITURES				
Current:				
Community Service	6,756,074	7,401,886	7,295,691	(106,195)
Capital Outlay	<u>86,391</u>	<u>89,401</u>	<u>74,712</u>	<u>(14,689)</u>
Total Expenditures	6,842,465	7,491,287	7,370,403	(120,884)
NET CHANGE IN FUND BALANCE	<u><u>\$ (117,832)</u></u>	<u><u>\$ (231,886)</u></u>	(530,822)	<u><u>\$ (298,936)</u></u>
FUND BALANCE				
Beginning of Year			<u>1,689,825</u>	
End of Year			<u><u>\$ 1,159,003</u></u>	

See accompanying Notes to Basic Financial Statements.

PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
STATEMENT OF NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2017)

	Governmental Activities - Internal Service Funds	
	2018	2017
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 15,967,118	\$ 14,561,950
Accounts Receivable	15,431	14,657
Total Assets	15,982,549	14,576,607
 LIABILITIES		
Current Liabilities:		
Claims Payable	1,486,813	1,174,443
Unearned Revenue	1,629,770	1,485,099
Total Liabilities	3,116,583	2,659,542
 NET POSITION		
Unrestricted	\$ 12,865,966	\$ 11,917,065

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	Governmental Activities - Internal Service Funds	
	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Charges for Services:		
Premiums, Net of Refunds	\$ 13,351,867	\$ 12,446,425
OPEB Contributions	660,371	660,371
Total Operating Revenues	<u>14,012,238</u>	<u>13,106,796</u>
OPERATING EXPENSES		
VEBA Contributions	24,414	36,289
Claim Expense	12,434,505	10,305,118
General Administration Fees	775,940	780,564
Total Operating Expenses	<u>13,234,859</u>	<u>11,121,971</u>
OPERATING INCOME	777,379	1,984,825
NONOPERATING INCOME		
Earnings on Investments	<u>171,522</u>	<u>137,724</u>
CHANGE IN NET POSITION	948,901	2,122,549
Net Position - Beginning	<u>11,917,065</u>	<u>9,794,516</u>
NET POSITION - ENDING	<u><u>\$ 12,865,966</u></u>	<u><u>\$ 11,917,065</u></u>

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	Governmental Activities - Internal Service Funds	
	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Interfund Services Provided	\$ 14,156,135	\$ 13,187,201
Payments for Administrative Costs	(775,940)	(780,564)
Payments for Claims	(12,122,135)	(10,706,601)
Payments for Wellness	(24,414)	(36,289)
Net Cash Provided by Operating Activities	<u>1,233,646</u>	<u>1,663,747</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>171,522</u>	<u>137,724</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,405,168	1,801,471
Cash and Cash Equivalents - Beginning of Year	<u>14,561,950</u>	<u>12,760,479</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 15,967,118</u>	<u>\$ 14,561,950</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 777,379	\$ 1,984,825
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Increase in Accounts Receivable	(774)	(3,736)
Increase (Decrease) in Claims Payable	312,370	(401,483)
Increase in Unearned Revenue	144,671	84,141
Total Adjustments	<u>456,267</u>	<u>(321,078)</u>
Net Cash Provided by Operating Activities	<u>\$ 1,233,646</u>	<u>\$ 1,663,747</u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Independent School District No. 719 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.

This financial report has been prepared in conformity with GASB Statement No. 34.

B. Financial Reporting Entity

Independent School District No. 719 (the District) is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

GAAP requires that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separated from the District. In addition, the District's financial statements are to include all component units - entities for which the District is financially accountable.

Financial accountability includes such aspects as appointing a voting majority of the Organization's governing body, significantly influencing the programs, projects, activities, or level of services performed or provided by the Organization or receiving specific financial benefits from, or imposing specific financial burden on, the Organization. There are no other entities for which the District is financially accountable.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. However, in accordance with Minnesota State Statutes, the District's Board has not elected to control or exercise oversight responsibility with respect to the underlying student activities. Accordingly, the student activity accounts are not included in these financial statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation

The government-wide financial statements (i.e. the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District.

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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for 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 government-wide financial statements.

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

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services are the District's governmental activities, the financial statement of the internal service fund are consolidated into the governmental activities column when presented in the government-wide financial statements. The costs of these services are reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is contributions from the operating funds for other postemployment benefits and charges for services in the form of insurance premiums. Operating expenses for the internal service fund include the costs of other postemployment benefits and payment of claims. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for amounts advance recognized in accordance with a statutory "tax shift" described later in these notes. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

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

1. Revenue Recognition

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to Minnesota Statutes 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. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

2. Recording of Expenditures

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds

The existence of the various District funds has been established by the state of Minnesota, Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report is 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 District, as well as the capital related activities such as maintenance of facilities equipment purchases, health and safety projects, and disabled accessibility projects.

Food Service Fund

This Special Revenue Fund is used to account for revenues that are restricted for food service and the associated expenditures.

Community Service Fund

This Special Revenue Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs or other similar services. Community Service revenues are restricted for use in those activities permitted by state statute.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs. The regular debt service account is used for all general obligation bond and energy conservation loan debt service except for refunding bond issues, for which a separate refunding bond trust account has been established.

Proprietary Funds

Internal Service Fund

The Internal Service Fund is established to account for cash and other assets held by the District for the payment of Other Postemployment Benefits (OPEB) and Voluntary Employee Benefits Association (VEBA) contributions. The District's Internal Service Fund includes its self-insured insurance plans for its employees and a revocable trust to account for cash and other assets held by the District for the payment of Other Postemployment Benefits.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

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 accounting principles generally accepted in the United States of America. Each June, the Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Capital Projects, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the Board. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

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

Total fund expenditures in excess of the budget require approval of the 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 mid-year budget amendments that changed revenue and expenditure budgets as follows:

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 89,281,062	\$ 1,878,170	\$ 91,159,232
Special Revenue Fund:			
Community Service Fund	6,724,633	534,768	7,259,401
Capital Projects Fund	26,000	184,252	210,252
Debt Service Fund	13,006,595	(10,000)	12,996,595
<u>Expenditures</u>			
General Fund	\$ 89,777,712	\$ 2,951,750	\$ 92,729,462
Special Revenue Funds:			
Food Service Fund	4,530,353	24,368	4,554,721
Community Service Fund	6,842,465	648,822	7,491,287
Capital Projects Fund	5,133,100	2,990,000	8,123,100

Budget provisions for the Debt Service Fund are set by state law governing required debt service levels.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

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 school districts 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

Cash balances from all funds are combined and invested to the extent available in various securities as authorized by Minnesota Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amount of cash and so near their maturity that there is insignificant risk of value changes because of interest rate changes.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the Debt Service Fund, the refunding bond escrow account held by trustee can be used only to retire refunded bond issues and to pay interest on refunding bond issues until the crossover refunding dates. Interest earned on these investments is allocated directly to the escrow account.

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, bankers' acceptances, and U.S. Treasury and agency obligations. Investments in external investment pools operated in a manner consistent with the SEC's Rule 2a7 of the Investment Act of 1940 are valued at the pool's share price.

G. Accounts Receivable

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are expensed during the period benefited.

J. 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 District has one type of item that qualifies for reporting in this category, which is deferred outflows of resources related to pensions.

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 District has four types of deferred inflows, two of which are related to revenue recognition. The first is property taxes levied for subsequent year. As an imposed nonexchange revenue transaction, property taxes received or reported as a receivable before the period for which the property taxes are levied are reported as a deferred inflow of resources in the government-wide financial statements and in the governmental fund financial statements. The second type of deferred inflow of resources is delinquent property taxes. Governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. Delinquent taxes not collected within 60 days after the District's year-end are considered unavailable and reported as a deferred inflow of resources in the governmental fund financial statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

When refunding debt issuances, the difference between the reacquisition price of the refunded debt and the net carrying amount of that debt (net of any unamortized premium or discount) is considered a deferred inflow or outflow of resources and amortized as a component of interest expense over the shorter of the remaining life of the refunded debt or the life of the new refunding debt. The District also has deferred inflows of resources related to pensions.

K. Property Taxes

Property tax levies are established by the Board in December each year and are certified to the County for collection the following calendar year. In Minnesota, counties act as collection agents for all property taxes and are responsible for spreading all levies over taxable property. Such taxes become a lien on January 1. Taxes are generally due on May 15 and October 15 and counties generally remit taxes to the Districts at periodic intervals as they are collected. A portion of property taxes levied is paid through state credits which are included in revenue from state sources in the financial statements.

Generally, tax revenue is recognized in the fiscal year ending June 30, following the calendar year in which the tax levy is collectible, while the current calendar year tax levy is recorded as a deferred inflow of resources (property taxes levied for subsequent year). The majority of District revenue in the General and Special Revenue Funds is determined annually by statutory funding formulas. The total revenue allowed by these formulas is then allocated between taxes and state aids by the Legislature based on education funding priorities. Changes in this allocation are periodically accompanied by a change in property tax revenue recognition referred to as the "tax shift."

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$893,302) advance recognized as revenue each year with no corresponding state aid adjustment. Certain other portions of the District's 2017 pay 2018 levy, normally revenue for the 2018-19 fiscal year, are also advance recognized at June 30, 2018, as required by state statute to match revenue with the same fiscal year as the related expenditures.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is not available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material.

Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2019, are included in the Property Taxes Levied for Subsequent Year account to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. 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 acquisition value at the date of donation. The District maintains a threshold level of \$5,000 for equipment and vehicles and \$25,000 for building and improvements and an estimated useful life in excess of two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial 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 District, 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 District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

M. 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. Bond premiums and discounts are amortized as a component of interest expense over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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.

O. Accrued Employee Benefits

Vacation Pay

Because teachers are not eligible for vacation pay and amounts accrued to other employees are forfeited if not taken by December 31 of the following year, no long-term portion of vacation liabilities are recorded in the financial statements.

Sick Pay

Substantially all District employees are entitled to sick leave at various rates. For certain employees, unused sick leave enters into the calculation of severance pay upon termination.

Early Retirement Incentive

The District maintains various early retirement incentive payment plans for its employee groups. Each employee group plan contains benefit formulas based on years of service and/or minimum age requirements. See Note 8 for further information.

Severance and Health Benefits

The District maintains a severance plan for its employees. The teachers' contract provides for payment of up to 120 days of accumulated sick leave as severance benefits based on years of service with the District and the retirees' age. Other District employee groups have similar severance provisions. A retiring employee shall elect that all retirement pay be paid on July 15 of the retirement year. All retirement payments on July 15, 2018 are included as salaries payable in the respective fund from which the salaries had been paid prior to retirement. A severance pay liability has been reported in the government-wide financial statements for all employees who have met the criteria of the severance plan but have not yet retired.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Accrued Employee Benefits (Continued)

Postemployment Benefits Other than Pensions

Under the terms of certain collectively bargained employment contracts, including the teachers' contract retirees, are eligible to participate in the District's health insurance plans. For employees meeting certain length of service experience requirements, the District is required to pay the health insurance premiums until the age 65.

P. Fund Balance

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – portions of fund balance related to prepaids, inventories, long-term receivables, and corpus on any permanent fund.

Restricted – funds are constrained by outside parties (statute, grantors, bond agreements, etc.).

Committed – funds are established and modified by a resolution approved by the Board of Education.

Assigned – consists of internally imposed constraints. The Board of Education passed a resolution authorizing the Superintendent and Director of Business Affairs to assign fund balances and its intended uses.

Unassigned – is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts.

The District formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target unassigned fund balance of 5% of the annual budget.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Risk Management

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

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

R. Net Position

Net position represent the difference between assets, deferred outflows of resources and liabilities, and deferred inflows of resources in the government-wide and proprietary, fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

S. Use of Estimates

The preparation of financial statement in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

T. Summarized 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 District's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

U. Reclassifications

Certain prior year revenue amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 DEPOSITS AND INVESTMENTS

A. Deposits

The District 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 the balance sheet as "Cash and Investments." In accordance with Minnesota Statutes, the District maintains deposits at financial institutions which are authorized by the School District's Board.

Custodial Credit Risk – Custodial credit risk for deposits 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 include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust departments of a commercial bank or other financial institution not owned or controlled by the depository.

The carrying value and bank balance of the District's deposits in banks at June 30, 2018 is \$66,876,552 and \$71,532,133, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

At June 30, 2018, the District's petty cash fund totaled \$200.

B. Investments

The District 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

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

At June 30, 2018, the District’s investment balances were as follows:

Municipal Bonds	\$ 25,979,096
Mortgage Backed Securities	5,898,974
U.S. Treasury Notes	9,383,143
MN Trust Investment Shares	21,180,921
MN Trust TERM Series	19,500,000
MN Trust Limited Duration Series	4,039,604
MSDLAF+ MAX Class	1,490,128
AUL Fixed-Interest Fund	7,818,209
Total Investments	\$ 95,290,075

The MSDLAF+ and MN Trust Investment Shares Portfolio are external investment pools and their investments are at amortized cost. The amortized cost method of valuation values a security at its cost on the date of purchase and thereafter assumes a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. The MSDLAF+ Max Class may not be redeemed for at least 14 days, and a 24-hour hold is placed on redemption requests. Redemptions prior to 14 days may be subject to penalty.

The MN Trust Term Series portfolios are separate portfolios with a fixed investment term and a designated maturity. A Term Series Portfolio consists of investments in certificates of deposit, obligations of the U.S. Government, its agencies and instrumentalities, and municipal obligations. These investments are reported at amortized cost. The MN Trust Term Series had an interest rate of 2.02% and matured in July 2018. Redemption prior to the maturity date of the MN Trust Term Series may result in a penalty. MN Trust’s Limited Term Duration Series is a fund invested in short-term, investment-grade fixed-income securities held at net asset value.

The AUL Fixed-Interest Fund is a fixed income investment account that is reported at amortized cost.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for the District's investments:

	<u>Rating</u>	<u>Amount</u>
Municipal Bonds	AAA	\$ 4,872,671
Municipal Bonds	AA	21,106,425
Mortgage Backed Securities	AAA	5,898,974
MN Trust Investment Shares	AAA _m	21,180,921
MN Trust TERM Series	Not Rated	19,500,000
MN Trust Limited Duration Series	Not Rated	4,039,604
MSDLAF+ MAX Class	AAA _f	1,490,128
AUL Fixed-Interest Fund	Not Rated	7,818,209
Total		<u>\$ 85,906,932</u>

Custodial Credit Risk – For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The School District's investment policy requires that brokers provide insurance to cover balances held in each investment account. As of June 30, 2018, the investment balances were fully covered by insurance for each brokerage firm.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment policies do not limit the maturities of investments; however, when purchasing investments the District considers such things as interest rates and cash flow needs.

Maturities of the District's investments are as follows:

<u>Type</u>	<u>Total</u>	<u>Maturities in Years</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>More than 5</u>
Municipal Bonds	\$ 25,979,096	\$ 8,896,313	\$ 17,082,783	\$ -
Mortgage Backed Securities	5,898,974	-	5,898,974	-
U.S. Treasury Notes	9,383,143	3,986,873	5,396,270	-
MN Trust Investment Shares	21,180,921	21,180,921	-	-
MN Trust TERM Series	19,500,000	19,500,000	-	-
MN Trust Limited Term Duration Series	4,039,604	4,039,604	-	-
AUL Fixed-Interest Fund	7,818,209	-	-	7,818,209
Total	<u>\$ 93,799,947</u>	<u>\$ 57,603,711</u>	<u>\$ 28,378,027</u>	<u>\$ 7,818,209</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Concentration Risk

The District places no limit on the amount that the District may invest in any one issuer. Currently the District had no investments in any issuer which individually comprised more than 5% of total investments.

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

Cash and Investments - Statement of Net Position	<u>\$ 162,166,827</u>
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C. Fair Value Measurements

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

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

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

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

Assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$ -	\$ 25,979,096	\$ -	\$ 25,979,096
Mortgage Backed Securities	-	5,898,974	-	5,898,974
U.S. Treasury Notes	9,383,143	-	-	9,383,143
Total	<u>\$ 9,383,143</u>	<u>\$ 31,878,070</u>	<u>\$ -</u>	<u>41,261,213</u>
Investments Measured at Amortized Cost				49,989,258
Total				<u>\$ 91,250,471</u>

The District reports the following investments at the NAV per share, the fair value established by the Pool:

	Net Asset Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
MN Trust Limited Term Duration Series	\$ 4,039,604	\$ -	Quarterly	30 Days

NOTE 3 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 12,483,938	\$ -	\$ -	\$ 12,483,938
Construction in Progress	191,551	4,673,880	-	4,865,431
Total Capital Assets, Not Being Depreciated	<u>12,675,489</u>	<u>4,673,880</u>	<u>-</u>	<u>17,349,369</u>
Capital Assets, Being Depreciated:				
Land Improvements	4,297,750	109,400	-	4,407,150
Buildings and Improvements	198,004,600	3,311,031	-	201,315,631
Equipment	16,169,292	1,840,595	-	18,009,887
Total Capital Assets, Being Depreciated	<u>218,471,642</u>	<u>5,261,026</u>	<u>-</u>	<u>223,732,668</u>
Accumulated Depreciation for:				
Land Improvements	(1,670,178)	(252,572)	-	(1,922,750)
Buildings and Improvements	(56,227,126)	(4,342,439)	-	(60,569,565)
Equipment	(9,536,258)	(1,678,682)	-	(11,214,940)
Total Accumulated Depreciation	<u>(67,433,562)</u>	<u>(6,273,693)</u>	<u>-</u>	<u>(73,707,255)</u>
Total Capital Assets, Being Depreciated, Net	<u>151,038,080</u>	<u>(1,012,667)</u>	<u>-</u>	<u>150,025,413</u>
Governmental Activities Capital Assets, Net	<u>\$ 163,713,569</u>	<u>\$ 3,661,213</u>	<u>\$ -</u>	<u>\$ 167,374,782</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

Administration	\$ 13,121
District Support Services	23,789
Regular Instruction	4,009,501
Special Education Instruction	5,283
Instructional Support Services	777,386
Sites and Buildings	1,369,814
Food Service	63,865
Community Service	10,934
Total Depreciation Expense, Governmental Activities	<u><u>\$ 6,273,693</u></u>

NOTE 4 LONG-TERM LIABILITIES

The District has issued general obligation school building bonds to finance the construction of capital facilities or to refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies are dedicated for the retirement of these bonds and loans. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

A. Components of General Long-Term Debt

Issue Date	Net Interest Rate	Series Number	Original Issue	Final Maturity	Principal Outstanding	
					Due Within One Year	Total
11/9/2010	4.00% - 5.00%	2010A	\$ 21,700,000	2/1/2018	\$ 2,475,000	\$ 17,310,000
11/3/2011	3.00%	2011A	12,225,000	2/1/2029	315,000	2,775,000
6/12/2013	2.00% - 3.00%	2013A	12,500,000	2/1/2028	-	12,500,000
6/12/2013	2.00% - 3.00%	2013B	5,380,000	2/1/2028	340,000	3,700,000
12/12/2013	3.00% - 5.00%	2013C	39,195,000	2/1/2036	2,790,000	34,130,000
1/8/2014	2.00% - 3.50%	2014A	3,205,000	2/1/2028	215,000	2,365,000
5/4/2016	3.00% - 5.00%	2016A	21,400,000	2/1/2020	2,660,000	14,010,000
8/3/2016	2.25% - 4.00%	2016B	11,480,000	2/1/2036	545,000	11,020,000
2/21/2018	3.25% - 5.00%	2018A	64,715,000	2/1/2038	-	64,715,000
2/21/2018	1.99% - 2.90%	2018B	42,924,049	2/1/2031	-	42,924,049
Total General Obligation Bonds					9,340,000	205,449,049
Bond Premiums					-	10,021,388
Lease Purchase Agreements Payable					629,915	9,526,683
Compensated Absences Payable					116,701	778,005
Total					<u><u>\$ 10,086,616</u></u>	<u><u>\$ 225,775,125</u></u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

A. Components of General Long-Term Debt (Continued)

The long-term bond liabilities listed above were issued to finance the acquisition, construction, refurbishing of capital facilities, purchase capital assets or to refinance (refund) previous bond issues.

B. Minimum Debt Payments

Minimum annual principal and interest payments required to retire long-term debt, not including severance and health benefits payable are as follows:

<u>Year Ending June 30,</u>	General Obligation Bonds Payable		Lease Purchase Agreements Payable	
	Principal	Interest	Principal	Interest
2019	\$ 9,340,000	\$ 6,012,174	\$ 629,915	\$ 381,204
2020	10,000,000	5,696,519	653,123	357,993
2021	11,185,000	5,226,419	677,247	333,887
2022	12,020,783	4,777,886	702,268	308,848
2023	13,045,436	4,346,290	728,279	282,836
2024-2028	64,067,609	21,270,905	2,834,499	1,036,879
2029-2033	43,900,221	17,427,592	2,688,861	476,182
2034-2038	41,890,000	4,265,563	612,491	20,517
Total	<u>\$ 205,449,049</u>	<u>\$ 69,023,348</u>	<u>\$ 9,526,683</u>	<u>\$ 3,198,346</u>

C. Changes in Long-Term Debt

	June 30, 2017	Additions	Retirements	June 30, 2018
Bonds Payable	\$ 106,115,000	\$ 107,639,049	\$ 8,305,000	\$ 205,449,049
Bond Premiums	9,166,866	2,025,534	1,171,012	10,021,388
Lease Purchase Agreement Payable	10,134,254	-	607,571	9,526,683
Compensated Absences Payable	842,578	50,405	114,978	778,005
Total	<u>\$ 126,258,698</u>	<u>\$ 109,714,988</u>	<u>\$ 10,198,561</u>	<u>\$ 225,775,125</u>

Governmental compensated absences and other postemployment benefits are typically liquidated (paid) by the General Fund.

On February 16, 2018, the District issued \$64,715,000 of General Obligation School Building Bonds, Series 2018A. The bonds have maturities extending through February 1, 2038 and bear interest at rates between 3.25-5.00%. The proceeds will be used to finance the acquisition and betterment of school sites and facilities, as authorized in a referendum on November 7, 2017.

On February 16, 2018, the District issued \$42,924,049 of General Obligation School Building Bonds, Series 2018B (Capital Appreciation Bonds). The bonds have maturities extending through February 1, 2031 and bear interest at rates between 1.99-2.90%. The proceeds will be used to finance the acquisition and betterment of school sites and facilities, as authorized in a referendum on November 7, 2017.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

D. Description of Long-Term Debt

General Obligation School Building Bonds

Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated to the retirement of these bonds. The District has authority to levy for all existing general obligation bonds. These levies are subject to reduction if fund balances exceed limitations imposed by Minnesota law. General Obligation School Building Bonds were issued to finance acquisitions and/or construction of capital facilities.

Compensated Absences and Other Postemployment Benefits

Compensated Absences Payable and Other Postemployment Benefits liabilities consist of convertible sick leave and healthcare benefits paid for retirees upon retirement. See Note 6 for information on Net Pension Liability and Note 7 for OPEB.

Capital Lease

On December 10, 2012, the District entered a capital lease agreement for two generators for a total capital lease obligation of \$547,323. The lease has a term of 15 years extending through December 1, 2027. This capital asset is capitalized at a cost of \$602,205 with accumulated depreciation of \$165,606 as of June 30, 2018. Amortization expense of the period is included in depreciation expense.

On December 19, 2013, the District entered into a capital lease-purchase agreement for a high school addition. The lease proceeds totaled \$8,300,000. The lease bears interest at a rate of 4.45% and requires semi-annual lease payments of \$316,504 extending through January 15, 2034, at which point the District will have the option to purchase the leased property for one dollar. Construction of the high school addition was completed in fiscal year 2015. This capital asset is capitalized at a cost of \$8,513,195 with \$962,006 of accumulated depreciation at June 30, 2018. Amortization expense of the period is included in depreciation expense.

On June 12, 2014, the District entered into a capital lease-purchase agreement for field turf. The lease proceeds totaled \$2,870,000. The lease bears interest at a rate of 2.79% and requires semi-annual lease payments of \$165,857 extending through July 15, 2024, at which point the District will have the option to purchase the leased property for one dollar. The installation of the field turf was completed in fiscal year 2015. This capital asset is capitalized at a cost of \$2,482,501 with accumulated depreciation of \$569,000 at June 30, 2018. Amortization expense of the period is included in depreciation expense.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 5 RESTRICTED FUND BALANCES

A. Restricted Fund Balances

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties.

Restricted for Staff Development – Providing teachers and other school district staff with individual and professional organizational growth and development opportunities and prepares them to provide excellent educational experiences for students, and ultimately helps achieve the fundamental purpose of improving student learning.

Restricted for Health and Safety – This amount represents resources to be derived exclusively for capital expenditure health and safety projects. Revenues are derived from tax levies and expenditures are for necessary corrections for fire and life safety hazards, asbestos removal and related repairs and cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuel.

Restricted for Operating Capital – This balance represents amounts available for capital expenditure equipment purchases, facility projects and personnel costs directly related to acquisition, operation, and maintenance of computers, related equipment, and network and applications software. Revenue to finance these expenditures is derived primarily from state aid revenue.

Restricted for Community Education – This amount represents available resources for community education classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits, and supplies.

Restricted for Early Childhood and Family Education (ECFE) – This amount represents available resources for ECFE classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits, and supplies.

Restricted for School Readiness – This amount represents available resources to provide services for learning readiness programs. Related to Finance Code 344, School Readiness, Minnesota Statutes 1240.16, includes aids, fees, grants, and all other revenues received by the District.

Restricted for Achievement and Integration Revenue – The unspent resources available from the Achievement and Integration program must be restricted in this account for use within the fiscal year (no carryover is allowed). All activity in this account must be related to Finance Code 313 and 318.

Restricted for Safe Schools Crime Levy – This balance represents unspent safe schools crime levy revenues. Revenues are from local tax levies.

Restricted for Long-Term Facilities Maintenance – This balance represents available resources to be used for LTFM projects in accordance with the 10-Year Plan.

Restricted for Medical Assistance – This balance represents available resources to be used for Medical Assistance expenditures in Finance Code 372.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 5 RESTRICTED FUND BALANCES (CONTINUED)

A. Restricted Fund Balances (Continued)

Restricted for Building Construction – This amount represents the resources available to finance project expenditures.

Restricted for Other Purposes – This amount represents amounts that can only be spent for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation, and includes food service and community service.

B. Assigned Fund Balances

At June 30, 2018, the General Fund includes assignments of fund balance for Special Education carryover, cash flow \$1,722,500, class size reduction \$500,000, innovation programs \$420,000, Q-Comp \$234,800, and site carryover \$643,768. The site carryover represents site allocations which the Board has allowed to be carried over for re-appropriation in the following fiscal year. Cash flow is allocated due to the state aid shift moving from 90/10 to 60/40 over the past three years. The class size reduction assigned fund balance is for the purpose of reducing class sizes for fiscal year 2018-19. Innovation dollars are anticipated start-up costs for a new language immersion program in the District's schools.

NOTE 6 DEFINED BENEFIT PENSION PLANS

Substantially all employees of the District 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 District participates in the following cost-sharing multiple-employer 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's and TRA's defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan (GERF)

PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. All full-time and certain part-time employees of the District other than teachers are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 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.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. Disability benefits are available for vested members, and are based upon years of service and average high-five salary.

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 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.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 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. GEF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in fiscal year 2018. In fiscal year 2018, the District was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members. The District's contributions to the GEF for the plan's fiscal year ended June 30, 2018 were \$1,054,492. The District'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:

	2018		2017	
	Employee	Employer	Employee	Employer
Basic	11.0%	11.5%	11.0%	11.5%
Coordinated	7.5%	7.5%	7.5%	7.5%

The District's contributions to TRA for the plan's fiscal year ended June 30, 2018 were \$3,246,683. The District's contributions were equal to the required contributions for each year as set by state statute.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs

1. GERF Pension Costs

At June 30, 2018, the District reported a liability of \$13,284,967 for its proportionate share of the GERF's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 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 District totaled \$167,048. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2016 through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the District's proportion was 0.2081%, which was an increase from its proportion measured as of June 30, 2016 of 0.1964%.

For the year ended June 30, 2018, the District recognized pension expense of \$1,797,274 for its proportionate share of GERF's pension expense. In addition, the District recognized an additional \$4,825 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

At June 30, 2018, the District reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 437,833	\$ 854,655
Changes in Actuarial Assumptions	2,205,591	1,331,818
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	574,530
Changes in Proportion and Differences Between		
District Contributions and Proportionate		
Share of Contributions	535,046	122,666
District Contributions Subsequent to the		
Measurement Date	1,054,492	-
Total	<u>\$ 4,232,962</u>	<u>\$ 2,883,669</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. GERF Pension Costs (Continued)

A total of \$1,054,492 reported as deferred outflows of resources related to pensions resulting from District contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

Year Ending June 30.	Pension Expense Amount
2019	\$ 4,608
2020	927,345
2021	(73,230)
2022	(563,922)
2023	-
Thereafter	-

2. TRA Pension Costs

At June 30, 2018, the District reported a liability of \$148,136,622 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District'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. At June 30, 2017, the District's proportionate share was 0.7421%, which was an increase from its proportionate share measured at June 30, 2016 of 0.7107%.

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

Description	Amount
District's Proportionate Share of the TRA Net Pension Liability	\$ 148,136,622
State's Proportionate Share of the Net Pension Liability Associated with the District	14,319,251

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

For the year ended June 30, 2018, the District recognized pension expense of \$26,995,709. It also recognized \$274,645 as pension expense for the support provided by direct aid.

At June 30, 2018, the District 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	\$ 1,115,516	\$ 1,040,241
Changes in Actuarial Assumptions	80,560,113	20,751,602
Net Difference Between Projected and Actual Earnings on Plan Investments	-	1,160,800
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	4,523,223	126,905
District Contributions Subsequent to the Measurement Date	3,246,683	-
Total	<u>\$ 89,445,535</u>	<u>\$ 23,079,548</u>

A total of \$3,246,683 reported as deferred outflows of resources related to pensions resulting from District 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, 2019. 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
2019	\$ 16,774,619
2020	19,211,259
2021	16,988,407
2022	14,032,330
2023	(3,887,311)
Thereafter	-

**PRIOR LAKE-SAVAGE AREA SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions

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

Assumptions	GERF	TRA
Inflation	2.50% per Year	2.50%
Active Member Payroll Growth	3.25% per Year	2.85% for 10 Years and 3.25% Thereafter
Investment Rate of Return	7.50%	5.12%

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 all plans for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be 1.0% per year for the General Employees Plan through 2044. 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, 2017, 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 2017:

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

The following changes in actuarial assumptions for TRA occurred in 2017:

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return 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.

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

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

F. Discount Rate

The discount rate used to measure the total General Employees Plan pension liability in 2017 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current 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

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

The following presents the District'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 District'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%
District's Proportionate Share of the GERF Net Pension Liability	\$ 20,605,970	\$ 13,284,967	\$ 7,291,395
<u>TRA Discount Rate</u>	3.66%	5.12%	5.66%
District's Proportionate Share of the TRA Net Pension Liability	\$ 195,511,796	\$ 148,136,622	\$ 108,193,586

H. Pension Plan Fiduciary Net Position

Detailed information about GERF's fiduciary's net position is available in a separately issued PERA financial report that 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 #400, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-2409 or 1-800-652-9026.

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PAYABLE

A. Plan Description

The District operates a single-employer retiree benefit plan (the Plan) that provides health and dental insurance to eligible employees and their spouses through the District's health insurance plan. Benefit and eligibility provisions are established through individual contracts and negotiations between the District and various unions representing District employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report. At July 1, 2017, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	49
Active Plan Members	<u>908</u>
Total	<u><u>957</u></u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

B. Contributions

Contribution requirements are also negotiated between the District and union representatives. The District contributes 100% of the cost of current-year premiums for specified coverage levels of eligible retired plan members and their spouses. For fiscal year 2018, the District contributed \$725,031 to the plan.

C. Total OPEB Liability

The District's total OPEB liability was measured as of July 1, 2016, by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the July 1, 2017 actuarial valuation was determined used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%, Average, Including Inflation
Healthcare Cost Trend Rates	6.50% in 2017 Grading to 5.00% Over 6 Years

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale.

Discount rate

The discount rate used to measure the total OPEB liability was based on a 20-year municipal bond yield, and was 3.40%. The discount rate was changed from 2.90% in the prior measurement date to 3.40%.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

D. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCE AT JUNE 30, 2016	\$ 10,911,142
Changes for the Year:	
Service Cost	703,460
Interest	383,906
Differences Between Expected and Actual Experience	-
Benefit Payments	(651,963)
Administrative Expense	-
Net Changes	435,403
BALANCE AT JUNE 30, 2017	\$ 11,346,545

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates:

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease 2.40%	Discount Rate 3.40%	1% Increase 4.40%
Total OPEB Liability	\$ 12,231,414	\$ 11,346,545	\$ 10,497,304

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates:

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Selected Healthcare Trend Rate	1% Increase
Medical Trend Rate	5.50% Decreasing to 5.00% Over 6 Years	6.50% Decreasing to 5.00% Over 6 Years	7.50% Decreasing to 6.00% Over 6 Years
Dental Trend Rate	3.00%	4.00%	5.00%
Total OPEB Liability	\$9,902,654	\$11,346,545	\$13,072,837

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)

E. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,087,366. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	-
Contributions Subsequent to the Measurement Date	725,031	-
Total	\$ 725,031	\$ -

The contributions subsequent to the measurement date will reduce the District's total OPEB liability in the District's fiscal year ended June 30, 2019.

NOTE 8 SUPPLEMENTAL PENSION BENEFIT PLAN

A. Plan Description

The District provides a single-employer defined benefit supplemental pension benefit to eligible administrators and teachers. Currently, full-time teachers hired prior to July 1, 1991, custodians, and administrative assistants are eligible to retire and receive the pension supplement after the attainment of age 55 and the completion 20 years of service. Certain administrators are eligible to retire and receive the pension supplement after the attainment of age 55 and the completion 15 years of service. The superintendent is eligible to retire and receive the pension supplement after the attainment of age 55 and the completion six years of service. The benefit is a lump-sum payment to a 403(b) account upon retirement.

As of July 1, 2017, employees covered by the Plan are as follows:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	-
Inactive Plan Members Entitled to But Not Yet Receiving Benefit Payments	-
Active Plan Members	25
Total	25

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 8 SUPPLEMENTAL PENSION BENEFIT PLAN (CONTINUED)

B. Benefit Provisions

There is no maximum benefit amount for any bargaining group, other than the superintendent who is capped at 50% of annual salary. The pension benefit ranges from three days per year of service times the hourly rate to one month of salary for each year of service. Payments are made as lump sum payments to a 403(b) account upon retirement.

The District paid \$255,909 for pension benefits under the Plan that came due during the year ended June 30, 2018.

C. Total Pension Liability

The District recognizes its total pension liability, rather than a net pension liability. In order for the District to recognize a net pension liability, assets must be accumulated in a trust that meets the following criteria:

- Contributions from the employer and nonemployer contributing entities, and the earnings thereon, must be irrevocable.
- Pension plan assets must be dedicated to providing pensions to Plan members in accordance with benefit terms.
- Pension plan assets must be legally protected from the creditors of employer, nonemployer contributing entities, the Plan administrator, and the Plan members.

No assets are accumulated in a trust that meets all of the above criteria. Accordingly, the District's total pension liability is not reduced by any assets accumulated in a trust that meets the criteria, and the District reports its total pension liability.

The District's total pension liability was determined by an actuarial valuation dated July 1, 2016. Update procedures were used to roll-forward the total pension liability to the measurement date of July 1, 2017. At June 30, 2018, the District reported a total pension liability of \$667,382. Changes in the District's total pension liability were as follows:

Beginning Total Pension Liability	\$	743,518
Changes for the Year:		
Service Cost		19,386
Interest		20,535
Changes in Benefit Terms		-
Differences Between Expected and Actual Experience		-
Changes of Assumptions of Other Input		(5,701)
Benefit Payments		(110,356)
Other Changes		-
Net Changes		(76,136)
Ending Total Pension Liability	\$	667,382

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 8 SUPPLEMENTAL PENSION BENEFIT PLAN (CONTINUED)

D. Pension Costs

For the year ended June 30, 2018, the District recognized pension expense of \$38,781. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions or Other Inputs	-	4,561
Benefit Payments Subsequent to the Measurement Date	255,909	-
Pension Administrative Expenses Incurred Subsequent to the Measurement Date	-	-
Total	\$ 255,909	\$ 4,561

The District's benefit payments and amounts incurred by the District for pension administrative expenses subsequent to the measurement date of \$255,909 reported as deferred outflows of resources will be recognized as a reduction of the total pension liability in the year ending June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2019	\$ (1,140)
2020	(1,140)
2021	(1,140)
2022	(1,141)
2023	-
Thereafter	-

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 8 SUPPLEMENTAL PENSION BENEFIT PLAN (CONTINUED)

E. Actuarial Assumptions

The actuarial total pension liability was determined as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	July 1, 2016
Measurement Date:	July 1, 2017
Actuarial Cost Method:	Entry Age Normal (Level Percent of Salary)
Discount Rate:	3.4%
Inflation:	2.5%
Salary Increases:	3.0%
Retirement Age:	55
Mortality:	RP 2000 Combined Healthy Table Projected to 2016 with Scale BB.

F. Discount Rate

The discount rate used to measure the total pension liability was 3.40%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds. The discount rate was changed from 2.90% in the prior measurement period to 3.40%.

G. Total Pension Liability Sensitivity

The following presents the District's total pension liability, calculated using the discount rate of 3.40%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 2.40%	Discount Rate 3.40%	1% Increase 4.40%
Total Pension Liability	<u>\$ 682,175</u>	<u>\$ 667,382</u>	<u>\$ 651,939</u>

NOTE 9 COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. Contingencies

The District has the usual and customary types of legal claims pending at year-end, mostly of a minor nature and usually covered by insurance carried for that purpose. The District's management believes that the District will not incur any material liabilities relating to these claims, and none have been accrued at year-end.

NOTE 10 HEALTH SELF-INSURANCE PLAN

The District maintains an Internal Service Fund to account for and finance a self-insurance program for health benefits. Accordingly, the District has not purchased outside insurance for the risks of losses to which it is exposed for amounts under its stop-loss limit of \$225,000 at which point reinsurance coverage is available. The District also has aggregate stop-loss coverage in place which limits the District's liability to 125% of the prior years' claims. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for health expenses. Claims have not exceeded the District's aggregate stop-loss limit for the past three years (since the establishment of the self-insurance program).

Participants in the program make premium payments to the fund based on the insurance premium. The excess amount received above current year claims is used to establish a reserve for future claims.

District liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

There were no liabilities in excess of claims paid at June 30, 2018. There is a possibility for loss if claims are in excess of the premiums collected. The District does not believe this occurrence would have a material financial effect on the District. The District held \$5,650,839 in cash and investments at June 30, 2018 for payment of claims.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 HEALTH SELF-INSURANCE PLAN (CONTINUED)

The balances of claim liabilities during fiscal years 2018 and 2017 were as follows:

	Fiscal Year 2018	Fiscal Year 2017
Beginning of Fiscal Year Liability - July 1,	\$ 1,174,443	\$ 1,575,926
Current Year Claims, Changes in Estimates, and Other Charges	12,434,505	10,305,118
Payments on Claims	(12,122,135)	(10,706,601)
End of Fiscal Year Liability - June 30,	\$ 1,486,813	\$ 1,174,443

NOTE 11 INTERFUND BALANCES AND TRANSFERS

The District had no interfund receivable or payable balances at June 30, 2018.

NOTE 12 OPERATING LEASE

In March 2016, the District entered into an operating lease agreement for the rental of property to be used for the Minnesota Center for Advanced Professional Studies (MNCAPS) program. The lease term is from July 1, 2016 to June 30, 2021. The District has one five-year option to extend the lease on the property. Lease expense for the year ended June 30, 2018 was \$120,540. Future minimum lease payments on this lease are as follows:

Year Ending June 30,	Amount
2019	\$ 123,554
2020	126,025
2021	128,545
Total	\$ 378,124

NOTE 13 CHANGE IN ACCOUNTING PRINCIPLE

During the fiscal year ended June 30, 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As a result, the District's net position as of June 30, 2017 has been restated to reflect the recognition of the District's total OPEB liability:

	Governmental Activities
Net Position, June 30, 2017, as Previously Reported	\$ 3,726,113
Cumulative Affect of Application of GASB 75	(6,739,671)
Net Position, June 30, 2017, as Restated	\$ (3,013,558)

REQUIRED SUPPLEMENTARY INFORMATION

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FISCAL YEAR**

	Measurement Date <u>July 1, 2016</u>
Total OPEB Liability:	
Service Cost	\$ 703,460
Interest	383,906
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments	(651,963)
Net Change in Total OPEB Liability	<u>435,403</u>
Total OPEB Liability - Beginning	<u>10,911,142</u>
Total OPEB Liability - Ending	<u><u>\$ 11,346,545</u></u>
 Covered Employee Payroll	 \$ 48,985,794
 City's Total OPEB Liability as a Percentage of the Covered Employee Payroll	 24.36%

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST FOUR MEASUREMENT DATES***

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

	Measurement Date June 30,			
	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.7421%	0.7107%	0.6820%	0.7083%
District's Proportionate Share of the Net Pension Liability	\$ 148,136,622	\$ 169,518,907	\$ 42,188,445	\$ 32,637,954
State's Proportionate Share of the Net Pension Liability Associated with District	14,319,251	17,014,498	5,175,127	2,295,952
Total	<u>\$ 162,455,873</u>	<u>\$ 186,533,405</u>	<u>\$ 47,363,572</u>	<u>\$ 34,933,906</u>
District's Covered Payroll	\$ 39,949,880	\$ 36,965,280	\$ 34,473,907	\$ 33,028,406
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	370.81%	458.59%	122.38%	98.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.88%	44.88%	76.80%	81.50%

*The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST FOUR FISCAL YEARS***

**TRA Schedule of District Contributions
Last Four Fiscal Years**

	Fiscal Year Ended June 30,			
	2018	2017	2016	2015
Statutorily Required Contribution	\$ 3,246,683	\$ 2,997,424	\$ 2,772,396	\$ 2,585,543
Contributions in Relation to the Statutorily Required Contribution	(3,246,683)	(2,997,424)	(2,772,396)	(2,585,543)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 43,289,107	\$ 39,965,653	\$ 36,965,280	\$ 34,473,907
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%

*The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
PERA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST FOUR MEASUREMENT DATES***

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

	Measurement Date June 30,			
	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.2081%	0.1979%	0.1979%	0.2039%
District's Proportionate Share of the Net Pension Liability	\$ 13,284,967	\$ 15,946,706	\$ 10,256,205	\$ 9,578,200
State's Proportionate Share of the Net Pension Liability Associated with District	167,048	208,202	-	-
Total	<u>\$ 13,452,015</u>	<u>\$ 16,154,908</u>	<u>\$ 10,256,205</u>	<u>\$ 9,578,200</u>
 District's Covered Payroll	 \$ 13,433,213	 \$ 12,181,520	 \$ 11,643,959	 \$ 11,186,618
 District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	 100.14%	 132.62%	 88.08%	 85.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.90%	68.90%	78.70%	78.70%

**The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
PERA SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST FOUR FISCAL YEARS***

**PERA Schedule of District Contributions
Last Four Fiscal Years**

	Fiscal Year Ended June 30,			
	2018	2017	2016	2015
Statutorily Required Contribution	\$ 1,054,492	\$ 1,007,491	\$ 913,614	\$ 858,742
Contributions in Relation to the Statutorily Required Contribution	(1,054,492)	(1,007,491)	(913,614)	(858,742)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 14,059,893	\$ 13,433,213	\$ 12,181,520	\$ 11,643,959
Contributions as a Percentage of Covered Payroll	7.500%	7.500%	7.500%	7.375%

*The District implemented GASB Statement No. 68 in fiscal year 2015, and the above table will be expanded to 10 years of information as the information becomes available.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL PENSION LIABILITY
AND RELATED RATIOS
LAST TWO FISCAL YEARS**

	Measurement Date July 1, 2017	Measurement Date July 1, 2016
	<u> </u>	<u> </u>
<u>Total Pension Liability</u>		
Service Cost	\$ 19,386	\$ 20,509
Interest	20,535	24,619
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions of Other Input	(5,701)	-
Benefit Payments	(110,356)	(258,217)
Other Changes	-	-
Net Changes	<u>(76,136)</u>	<u>(213,089)</u>
 Total Pension Liability - Beginning	 <u>743,518</u>	 <u>956,607</u>
 Total Pension Liability - Ending	 <u>\$ 667,382</u>	 <u>\$ 743,518</u>
 Covered Employee Payroll	 \$ 2,422,835	 \$ 2,352,267
 Total Pension Liability as a Percentage of Covered Employee Payroll	 27.55%	 31.61%

SUPPLEMENTARY INFORMATION

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
GENERAL FUND
BALANCE SHEET
JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and Investments	\$ 21,211,200	\$ 17,135,628
Receivables:		
Current Taxes	7,837,270	6,926,862
Delinquent Taxes	53,464	52,924
Accounts and Interest Receivable	332,589	208,052
Due from Other Minnesota School Districts	395,438	186,574
Due from Minnesota Department of Education	7,300,463	8,382,160
Due from Federal Through the Minnesota Department of Education	57,670	27,087
Inventory	106,487	95,534
Prepays	<u>207,446</u>	<u>181,039</u>
Total Assets	<u>\$ 37,502,027</u>	<u>\$ 33,195,860</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 3,949,999	\$ 3,551,617
Payroll Deductions and Employer Contributions Payable	233,733	210,218
Accounts and Contracts Payable	486,589	542,924
Due to Other Minnesota School Districts	52,003	52,000
Due to Other Governmental Units	889	604
Unearned Revenue	<u>187,488</u>	<u>203,465</u>
Total Liabilities	4,910,701	4,560,828
Deferred Inflows:		
Property Taxes Levied for Subsequent Year	16,200,703	13,093,116
Unavailable Revenue - Delinquent Taxes	<u>53,464</u>	<u>52,924</u>
Total Deferred Inflows of Resources	16,254,167	13,146,040
Fund Balance:		
Nonspendable:		
Inventory	207,446	95,534
Prepays	106,487	181,039
Restricted for:		
Staff Development	148,763	226,347
Health and Safety	-	219,620
Operating Capital	1,545,266	1,551,746
Restricted for Achievement and Integration	10,512	152,955
Safe Schools Crime Levy	74,591	107,470
Long Term Facilities Maintenance	1,268,722	740,005
Medical Assistance	133,883	-
Assigned	3,521,068	3,591,010
Unassigned	<u>9,320,421</u>	<u>8,623,266</u>
Total Fund Balance	<u>16,337,159</u>	<u>15,488,992</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 37,502,027</u>	<u>\$ 33,195,860</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	2018			2017
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 14,330,404	\$ 14,051,809	\$ (278,595)	\$ 14,170,104
Earnings and Investments	80,000	317,810	237,810	159,232
Other	1,666,764	2,029,175	362,411	1,668,035
State Sources	73,105,953	74,007,130	901,177	70,692,619
Federal Sources	1,976,111	1,904,067	(72,044)	1,445,497
Total Revenues	<u>91,159,232</u>	<u>92,309,991</u>	<u>1,150,759</u>	<u>88,135,487</u>
EXPENDITURES				
Current:				
Administration:				
Salaries	2,228,527	2,228,494	(33)	2,254,129
Employee Benefits	714,235	755,220	40,985	812,344
Purchased Services	84,003	46,766	(37,237)	127,140
Supplies and Materials	26,955	24,691	(2,264)	30,432
Other Expenditures	57,847	51,015	(6,832)	66,856
Total Administration	<u>3,111,567</u>	<u>3,106,186</u>	<u>(5,381)</u>	<u>3,290,901</u>
District Support Services:				
Salaries	1,884,450	1,876,685	(7,765)	1,814,875
Employee Benefits	621,445	637,713	16,268	654,963
Purchased Services	819,635	749,982	(69,653)	409,131
Supplies and Materials	236,110	118,188	(117,922)	102,377
Other Expenditures	27,155	12,965	(14,190)	20,834
Total District Support Services	<u>3,588,795</u>	<u>3,395,533</u>	<u>(193,262)</u>	<u>3,002,180</u>
Elementary and Secondary Regular Instruction:				
Salaries	28,695,292	28,651,243	(44,049)	26,892,895
Employee Benefits	11,880,872	12,246,134	365,262	11,719,106
Purchased Services	2,929,271	2,914,131	(15,140)	2,427,144
Supplies and Materials	1,480,951	1,179,707	(301,244)	794,340
Other Expenditures	19,958	20,140	182	16,721
Total Elementary and Secondary Regular Instruction	<u>45,006,344</u>	<u>45,011,355</u>	<u>5,011</u>	<u>41,850,206</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	2018			2017
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 473,895	\$ 473,895	\$ -	\$ 440,317
Employee Benefits	190,673	194,080	3,407	174,849
Purchased Services	888	340	(548)	962
Supplies and Materials	16,945	15,805	(1,140)	13,059
Total Vocational Education Instruction	<u>682,401</u>	<u>684,120</u>	<u>1,719</u>	<u>629,187</u>
Special Education Instruction:				
Salaries	11,563,966	11,536,948	(27,018)	10,682,389
Employee Benefits	4,432,571	4,498,517	65,946	4,220,302
Purchased Services	553,283	560,579	7,296	440,600
Supplies and Materials	109,228	74,735	(34,493)	78,196
Other Expenditures	2,048	2,048	-	2,540
Total Special Education Instruction	<u>16,661,096</u>	<u>16,672,827</u>	<u>11,731</u>	<u>15,424,027</u>
Instructional Support Services:				
Salaries	4,038,735	3,968,534	(70,201)	3,337,686
Employee Benefits	1,390,190	1,387,675	(2,515)	1,097,527
Purchased Services	456,503	341,205	(115,298)	275,430
Supplies and Materials	318,054	277,159	(40,895)	256,004
Other Expenditures	17,818	6,987	(10,831)	18,923
Total Instructional Support Services	<u>6,221,300</u>	<u>5,981,560</u>	<u>(239,740)</u>	<u>4,985,570</u>
Pupil Support Services:				
Salaries	1,596,237	1,564,368	(31,869)	1,517,563
Employee Benefits	637,950	642,758	4,808	574,001
Purchased Services	6,801	31,816	25,015	184,799
Supplies and Materials	110,041	102,508	(7,533)	109,008
Other Expenditures	(22,340)	(8,399)	13,941	(9,184)
Total Pupil Support Services	<u>2,328,689</u>	<u>2,333,051</u>	<u>4,362</u>	<u>2,376,187</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	2018		Over (Under) Final Budget	2017
	Final Budget	Actual Amounts		Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Sites and Buildings:				
Salaries	\$ 2,603,791	\$ 2,533,237	\$ (70,554)	\$ 2,430,345
Employee Benefits	976,361	988,625	12,264	945,121
Purchased Services	1,734,631	1,722,739	(11,892)	1,649,963
Supplies and Materials	719,766	722,540	2,774	727,476
Other Expenditures	121,358	127,519	6,161	18,457
Total Sites and Buildings	<u>6,155,907</u>	<u>6,094,660</u>	<u>(61,247)</u>	<u>5,771,362</u>
Fiscal and Other Fixed Costs:				
Purchased Services	327,022	324,005	(3,017)	293,404
Transportation:				
Salaries	239,078	259,253	20,175	238,501
Employee Benefits	94,373	96,474	2,101	102,870
Purchased Services	4,322,037	4,207,099	(114,938)	4,063,336
Supplies and Materials	13,050	6,884	(6,166)	4,006
Other Expenditures	22,340	8,399	(13,941)	9,184
Total Transportation	<u>4,690,878</u>	<u>4,578,109</u>	<u>(112,769)</u>	<u>4,417,897</u>
Capital Outlay:				
District Support Services	860,466	763,470	(96,996)	528,654
Regular Instruction	227,130	206,036	(21,094)	347,532
Special Education Instruction	38,685	30,887	(7,798)	22,081
Instructional Support Services	333,757	333,439	(318)	727,664
Pupil Support Services	68,719	68,721	2	31,711
Sites and Buildings	1,415,591	867,012	(548,579)	595,159
Total Capital Outlay	<u>2,944,348</u>	<u>2,269,565</u>	<u>(674,783)</u>	<u>2,252,801</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	2018		Over (Under) Final Budget	2017
	Final Budget	Actual Amounts		Actual Amounts
EXPENDITURES (Continued)				
Debt Service:				
Principal	\$ 607,571	\$ 607,571	\$ -	\$ 586,057
Interest and Fiscal Charges	403,544	403,282	(262)	425,058
Total Debt Service	<u>1,011,115</u>	<u>1,010,853</u>	<u>(262)</u>	<u>1,011,115</u>
Total Expenditures	<u>92,729,462</u>	<u>91,461,824</u>	<u>(1,267,638)</u>	<u>85,304,837</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,570,230)	848,167	2,418,397	2,830,650
OTHER FINANCING SOURCES				
Insurance Recovery	-	-	-	54,683
NET CHANGE IN FUND BALANCE	<u>\$ (1,570,230)</u>	848,167	<u>\$ 2,418,397</u>	2,885,333
FUND BALANCE				
Beginning of Year		15,488,992		12,603,659
End of Year		<u>\$ 16,337,159</u>		<u>\$ 15,488,992</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2017)**

	2018	2017
ASSETS		
Cash and Investments	\$ 1,129,743	\$ 870,718
Receivables:		
Accounts and Interest Receivable	10,591	6,661
Due from Minnesota Department of Education	5,804	6,974
Due from Federal Through the Minnesota Department of Education	15,548	19,987
Inventory	85,076	57,994
Prepays	15,717	10,184
	<u>\$ 1,262,479</u>	<u>\$ 972,518</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Payroll Deductions and Employer Contributions Payable	\$ 944	\$ 470
Accounts and Contracts Payable	2,552	2,594
Unearned Revenue	139,839	121,443
Total Liabilities	<u>143,335</u>	<u>124,507</u>
Fund Balance:		
Nonspendable:		
Inventory	85,076	57,994
Prepays	15,717	10,184
Restricted for:		
Other Purposes	1,018,351	779,833
Total Fund Balance	<u>1,119,144</u>	<u>848,011</u>
	<u>\$ 1,262,479</u>	<u>\$ 972,518</u>
Total Liabilities and Fund Balance	<u>\$ 1,262,479</u>	<u>\$ 972,518</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
FOOD SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local Sources:				
Earnings and Investments	\$ -	\$ -	\$ 16,505	\$ 16,505
Other - Primarily Meal Sales	3,779,758	3,779,758	3,693,674	(86,084)
State Sources	174,234	174,234	218,929	44,695
Federal Sources	<u>642,703</u>	<u>642,703</u>	<u>782,686</u>	<u>139,983</u>
Total Revenues	4,596,695	4,596,695	4,711,794	115,099
EXPENDITURES				
Current:				
Food Service	4,442,028	4,478,694	4,369,240	(109,454)
Capital Outlay	<u>88,325</u>	<u>76,027</u>	<u>71,421</u>	<u>(4,606)</u>
Total Expenditures	4,530,353	4,554,721	4,440,661	(114,060)
NET CHANGE IN FUND BALANCE	<u>\$ 66,342</u>	<u>\$ 41,974</u>	271,133	<u>\$ 229,159</u>
FUND BALANCE				
Beginning of Year			<u>848,011</u>	
End of Year			<u>\$ 1,119,144</u>	

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2018**

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

	2018	2017
ASSETS		
Cash and Investments	\$ 1,584,089	\$ 2,039,793
Receivables:		
Current Taxes	272,740	315,422
Delinquent Taxes	2,428	2,406
Accounts and Interest Receivable	134,904	265,373
Due from Other Minnesota School Districts	8,015	6,628
Due from Minnesota Department of Education	81,897	82,125
Prepays	33,609	29,776
Total Assets	\$ 2,117,682	\$ 2,741,523
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Payroll Deductions and Employer Contributions Payable	\$ 1,647	\$ 375
Accounts and Contracts Payable	50,586	125,226
Unearned Revenue	307,979	280,221
Total Liabilities	360,212	405,822
Deferred Inflows:		
Property Taxes Levied for Subsequent Year	596,039	643,470
Unavailable Revenue - Delinquent Taxes	2,428	2,406
Total Deferred Inflows of Resources	598,467	645,876
Fund Balance:		
Nonspendable:		
Prepays	33,609	29,776
Restricted for:		
Community Education	594,504	1,073,860
Early Childhood and Family Education	429,474	361,349
School Readiness	101,416	224,840
Total Fund Balance	1,159,003	1,689,825
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 2,117,682	\$ 2,741,523

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
COMMUNITY SERVICE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	2018			2017
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 649,879	\$ 637,675	\$ (12,204)	\$ 620,866
Earnings and Investments	-	31,403	31,403	20,679
Other - Primarily Tuition and Fees	5,867,716	5,437,345	(430,371)	5,388,720
State Sources	741,806	733,158	(8,648)	755,041
Total Revenues	<u>7,259,401</u>	<u>6,839,581</u>	<u>(419,820)</u>	<u>6,785,306</u>
EXPENDITURES				
Current:				
Salaries	4,512,108	4,500,876	(11,232)	4,086,454
Employee Benefits	1,063,047	1,073,106	10,059	939,479
Purchased Services	1,213,561	1,166,913	(46,648)	1,200,773
Supplies and Materials	600,607	547,354	(53,253)	565,192
Other Expenditures	12,563	7,442	(5,121)	7,121
Capital Outlay	89,401	74,712	(14,689)	73,618
Total Expenditures	<u>7,491,287</u>	<u>7,370,403</u>	<u>(120,884)</u>	<u>6,872,637</u>
NET CHANGE IN FUND BALANCE	<u>\$ (231,886)</u>	(530,822)	<u>\$ (298,936)</u>	(87,331)
FUND BALANCE				
Beginning of Year		1,689,825		1,777,156
End of Year		<u>\$ 1,159,003</u>		<u>\$ 1,689,825</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
CAPITAL PROJECT – BUILDING CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2017)**

	2018	2017
ASSETS		
Cash and Investments	\$ 112,139,992	\$ 11,045,434
Receivables:		
Accounts and Interest Receivable	709,152	-
Total Assets	\$ 112,849,144	\$ 11,045,434
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts and Contracts Payable	\$ 63,408	\$ -
Fund Balance:		
Restricted for:		
Long Term Facilities Maintenance	6,999,479	11,045,434
Restricted for Capital Projects	105,786,257	-
Total Fund Balance	112,785,736	11,045,434
Total Liabilities and Fund Balance	\$ 112,849,144	\$ 11,045,434

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
CAPITAL PROJECT – BUILDING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Over (Under) Final Budget</u>	<u>2017 Actual Amounts</u>
REVENUES				
Local Sources:				
Earnings and Investments	\$ 210,252	\$ 702,870	\$ 492,618	\$ 36,059
EXPENDITURES				
Current:				
Salaries	-	68	68	-
Employee Benefits	-	10	10	-
Purchased Services	3,921,625	4,493,900	572,275	72,457
Supplies and Materials	200	2,734	2,534	-
Capital Outlay	4,201,275	4,120,439	(80,836)	1,643,115
Total Expenditures	<u>8,123,100</u>	<u>8,617,151</u>	<u>494,051</u>	<u>1,715,572</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,912,848)	(7,914,281)	(1,433)	(1,679,513)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	107,639,049	107,639,049	-	11,480,000
Bond Premium	2,025,534	2,025,534	-	1,244,947
Transfers Out	(10,000)	(10,000)	-	-
Total Other Financing Sources	<u>109,654,583</u>	<u>109,654,583</u>	<u>-</u>	<u>12,724,947</u>
NET CHANGE IN FUND BALANCE	<u>\$ 101,741,735</u>	101,740,302	<u>\$ (1,433)</u>	11,045,434
FUND BALANCE				
Beginning of Year		11,045,434		-
End of Year		<u>\$ 112,785,736</u>		<u>\$ 11,045,434</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2017)**

	Totals	
	2018	2017
ASSETS		
Cash and Investments	\$ 10,134,685	\$ 7,890,604
Receivables:		
Current Taxes	6,881,620	6,318,718
Delinquent Taxes	48,534	48,015
Due from Minnesota Department of Education	30,570	10,303
Total Assets	\$ 17,095,409	\$ 14,267,640
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Deferred Inflows:		
Property Taxes Levied for Subsequent Year	\$ 15,038,943	\$ 12,890,347
Unavailable Revenue - Delinquent Taxes	48,534	48,015
Total Deferred Inflows of Resources	15,087,477	12,938,362
Fund Balance:		
Restricted for:		
Restricted for Debt Service	2,007,932	1,329,278
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 17,095,409	\$ 14,267,640

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	Final Budgeted Amounts	Actual Amounts	Over (Under) Final Budget	<u>2017</u> Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 12,890,347	\$ 12,774,511	\$ (115,836)	\$ 12,230,355
Earnings and Investments	15,000	151,801	136,801	89,174
State Sources	91,248	302,548	211,300	103,715
Total Revenues	<u>12,996,595</u>	<u>13,228,860</u>	<u>232,265</u>	<u>12,423,244</u>
EXPENDITURES				
Debt Service:				
Bond Principal	8,305,000	8,305,000	-	8,170,000
Bond Interest	4,247,807	4,247,806	(1)	4,696,782
Paying Agent Fees and Other	7,400	7,400	-	7,400
Total Expenditures	<u>12,560,207</u>	<u>12,560,206</u>	<u>(1)</u>	<u>12,874,182</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	436,388	668,654	232,266	(450,938)
OTHER FINANCING SOURCES (USES)				
Payment to Refunded Bond Escrow Agent	-	-	-	(24,270,000)
Transfers In	10,000	10,000	-	-
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(24,270,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 446,388</u>	678,654	<u>\$ 232,266</u>	(24,720,938)
FUND BALANCE				
Beginning of Year		<u>1,329,278</u>		<u>26,050,216</u>
End of Year		<u>\$ 2,007,932</u>		<u>\$ 1,329,278</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
INTERNAL SERVICE FUND
COMBINING BALANCE SHEET
JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2017)**

	OPEB Revocable Trust	Self- Insurance Accounts	Total	
			2018	2017
ASSETS				
Current Assets:				
Cash and Investments	\$ 8,478,580	\$ 7,488,538	\$ 15,967,118	\$ 14,561,950
Accounts Receivable	-	15,431	15,431	14,657
Total Assets	<u>8,478,580</u>	<u>7,503,969</u>	<u>15,982,549</u>	<u>14,576,607</u>
LIABILITIES				
Current Liabilities:				
Claims Payable	-	1,486,813	1,486,813	1,174,443
Unearned Revenue	-	1,629,770	1,629,770	1,485,099
Total Liabilities	<u>-</u>	<u>3,116,583</u>	<u>3,116,583</u>	<u>2,659,542</u>
NET POSITION				
Unrestricted	<u>\$ 8,478,580</u>	<u>\$ 4,387,386</u>	<u>\$ 12,865,966</u>	<u>\$ 11,917,065</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	OPEB Revocable Trust	Self- Insurance Accounts	Total	
			2018	2017
OPERATING REVENUES				
Charges for Services:				
Contribution from General Fund	\$ 660,371	\$ 385,818	\$ 1,046,189	\$ 948,374
Health Insurance Premiums	-	12,966,049	12,966,049	12,158,422
Total Operating Revenues	<u>660,371</u>	<u>13,351,867</u>	<u>14,012,238</u>	<u>13,106,796</u>
OPERATING EXPENSES				
VEBA Contributions	-	24,414	24,414	36,289
Health Insurance Claim Payments	-	12,434,505	12,434,505	10,305,118
General Administration Fees	-	775,940	775,940	780,564
Total Operating Expenses	<u>-</u>	<u>13,234,859</u>	<u>13,234,859</u>	<u>11,121,971</u>
OPERATING INCOME	660,371	117,008	777,379	1,984,825
NONOPERATING INCOME				
Earnings on Investments	<u>110,242</u>	<u>61,280</u>	<u>171,522</u>	<u>137,724</u>
CHANGE IN FUND BALANCE	770,613	178,288	948,901	2,122,549
Net Position - Beginning	<u>7,707,967</u>	<u>4,209,098</u>	<u>11,917,065</u>	<u>9,794,516</u>
NET POSITION - ENDING	<u>\$ 8,478,580</u>	<u>\$ 4,387,386</u>	<u>\$ 12,865,966</u>	<u>\$ 11,917,065</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
INTERNAL SERVICE FUND
COMBINING STATEMENT OF FUND CASH FLOWS
YEAR ENDED JUNE 30, 2018
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2017)**

	OPEB	Self-	Total	
	Revocable Trust	Insurance Accounts	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Health Insurance Premiums	\$ -	\$ 13,109,946	\$ 13,109,946	\$ 12,238,827
OPEB Contributions	660,371	385,818	1,046,189	948,374
Payments for Administrative Costs	-	(775,940)	(775,940)	(780,564)
Payments for Medical Fees and Insurance Claims	-	(12,122,135)	(12,122,135)	(10,706,601)
Payments to Employee VEBA Accounts	-	(24,414)	(24,414)	(36,289)
Net Cash Provided by Operating Activities	<u>660,371</u>	<u>573,275</u>	<u>1,233,646</u>	<u>1,663,747</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>110,242</u>	<u>61,280</u>	<u>171,522</u>	<u>137,724</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	770,613	634,555	1,405,168	1,801,471
Cash and Cash Equivalents - Beginning	<u>7,707,967</u>	<u>6,853,983</u>	<u>14,561,950</u>	<u>12,760,479</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 8,478,580</u>	<u>\$ 7,488,538</u>	<u>\$ 15,967,118</u>	<u>\$ 14,561,950</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 660,371	\$ 117,008	\$ 777,379	\$ 1,984,825
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Increase in Accounts Receivable	-	(774)	(774)	(3,736)
Increase (Decrease) in Claims Payable	-	312,370	312,370	(401,483)
Increase in Unearned Revenue	-	144,671	144,671	84,141
Total Adjustments	<u>-</u>	<u>456,267</u>	<u>456,267</u>	<u>(321,078)</u>
Net Cash Provided by Operating Activities	<u>\$ 660,371</u>	<u>\$ 573,275</u>	<u>\$ 1,233,646</u>	<u>\$ 1,663,747</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
YEAR ENDED JUNE 30, 2018**

	AUDIT	UFARS	DIFFERENCE
01 GENERAL FUND			
Total Revenue	\$ 92,309,991	\$ 92,309,990	\$ 1
Total Expenditures	91,461,824	91,461,824	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	313,933	313,933	-
<i>Restricted:</i>			
403 Staff Development	148,763	148,763	-
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	1,545,266	1,545,266	-
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	10,512	10,512	-
449 Safe Schools Crime Levy	74,591	74,591	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
467 Long Term Facilities Maintenance	1,268,722	1,268,722	-
472 Medical Assistance	133,883	133,883	-
464 Restricted Fund Balance	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	3,521,068	3,521,068	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	9,320,421	9,320,421	-
02 FOOD SERVICE			
Total Revenue	4,711,794	4,711,794	-
Total Expenditures	4,440,661	4,440,660	1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	100,793	100,794	(1)
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	1,018,351	1,018,351	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE			
Total Revenue	6,839,581	6,839,580	1
Total Expenditures	7,370,403	7,370,398	5
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	33,609	33,609	-
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	594,504	594,505	(1)
432 E.C.F.E.	429,474	429,474	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	101,416	101,416	-
447 Adult Basic Education	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE (CONTINUED)
YEAR ENDED JUNE 30, 2018**

	AUDIT	UFARS	DIFFERENCE
06 BUILDING CONSTRUCTION			
Total Revenue	\$ 702,870	\$ 702,871	\$ (1)
Total Expenditures	8,617,151	8,617,151	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
407 Capital Projects Levy	-	-	-
409 Alternative Facility Program	-	-	-
413 Projects Funded by COP	-	-	-
467 Long Term Facilities Maintenance	6,999,479	6,999,479	-
464 Restricted Fund Balance	105,786,257	105,786,258	(1)
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
07 DEBT SERVICE			
Total Revenue	13,228,860	13,228,860	-
Total Expenditures	12,560,206	12,560,206	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
467 Long Term Facilities Maintenance	-	-	-
464 Restricted Fund Balance	2,007,932	2,007,932	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
08 TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
20 INTERNAL SERVICE			
Total Revenue	13,413,147	13,413,147	-
Total Expenditures	13,234,859	13,234,859	-
<i>Net Position:</i>			
422 Net Position	4,387,386	4,387,386	-
25 OPEB REVOCABLE TRUST			
Total Revenue	770,613	770,613	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	8,478,580	8,478,580	-
45 OPEB IRREVOCABLE TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
47 OPEB DEBT SERVICE			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

This part of the Independent School District No. 719 comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about overall financial health. The following are the categories of the various schedules that are included in this section.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	110
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	118
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	125
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	130
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to services the District provides and the activities it performs.	133

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive financial reports for the relevant year.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2009	2010	2011	2012
Governmental Activities				
Net Investment in Capital Assets	\$ 17,631,789	\$ 19,217,014	\$ 23,048,414	\$ 25,168,372
Restricted	2,444,425	2,312,593	3,330,757	4,259,070
Unrestricted	154,579	3,147,277	5,882,449	11,184,806
 Total Governmental Activities Net Position	 <u>\$ 20,230,793</u>	 <u>\$ 24,676,884</u>	 <u>\$ 32,261,620</u>	 <u>\$ 40,612,248</u>

Source: District's financial records.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 28,232,974	\$ 30,340,820	\$ 39,239,879	\$ 44,446,753	\$ 37,303,408	\$ 44,587,428
5,836,474	4,530,597	4,048,952	4,087,124	15,690,859	15,096,644
12,771,512	14,832,471	(30,399,506)	(28,295,787)	(49,268,154)	(79,915,872)
<u>\$ 46,840,960</u>	<u>\$ 49,703,888</u>	<u>\$ 12,889,325</u>	<u>\$ 20,238,090</u>	<u>\$ 3,726,113</u>	<u>\$ (20,231,800)</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2009	2010	2011	2012
EXPENSES				
Governmental Activities:				
Administration	\$ 2,320,553	\$ 2,450,511	\$ 2,535,757	\$ 2,509,959
District Support Services	1,245,127	1,200,198	1,172,491	1,184,152
Regular Instruction	26,098,635	31,604,628	32,697,354	31,464,850
Vocational Education Instruction	926,632	1,089,528	649,824	586,156
Special Education Instruction	8,413,282	10,785,336	11,080,549	10,574,389
Instructional Support Services	5,068,251	4,941,331	4,570,384	5,280,430
Pupil Support Services	4,903,394	5,359,399	5,113,766	5,112,669
Sites and Buildings	7,591,794	7,301,329	6,555,220	6,311,463
Fiscal and Other Fixed Cost Programs	239,849	213,604	209,054	221,525
Food Service	3,133,853	3,336,223	3,293,510	3,400,739
Community Service	3,874,301	4,246,523	4,381,322	4,554,373
Interest on Long-Term Debt	7,387,847	7,496,377	5,749,186	6,848,757
Total Governmental Activities Expenses	<u>\$ 71,203,518</u>	<u>\$ 80,024,987</u>	<u>\$ 78,008,417</u>	<u>\$ 78,049,462</u>
PROGRAM REVENUE				
Governmental Activities:				
Charges for Services:				
Administration	\$ -	\$ -	\$ -	\$ 500
District Support Services	10,141	16,873	25,111	12,560
Regular Instruction	1,388,555	1,478,145	2,023,308	1,404,342
Vocational Education Instruction	7,265	-	-	-
Special Education Instruction	4,377,584	5,808,217	5,642,079	6,750,623
Instructional Support Services	819,411	2,275	128,085	-
Pupil Support Services	643,462	691,884	642,916	1,308,122
Sites and Buildings	2,002,146	1,602,345	864,040	2,690,482
Food Service	3,063,770	3,179,857	3,200,620	3,312,031
Community Service	3,289,243	3,650,969	3,925,841	4,205,863
Total Governmental Activities Program Revenue	<u>\$ 15,601,577</u>	<u>\$ 16,430,565</u>	<u>\$ 16,452,000</u>	<u>\$ 19,684,523</u>
NET EXPENSE				
Governmental Activities	<u>\$ (55,601,941)</u>	<u>\$ (63,594,422)</u>	<u>\$ (61,556,417)</u>	<u>\$ (58,364,939)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities:				
Property Taxes:				
General Purposes and Capital Projects	\$ 9,498,108	\$ 11,654,648	\$ 16,806,696	\$ 12,152,473
Community Service	491,141	502,036	850,798	603,009
Debt Service	12,922,611	13,600,548	13,622,535	12,778,099
Unrestricted Grants and Contributions	39,060,883	41,260,442	37,512,639	40,778,188
Unrestricted Investment Earnings	1,466,805	774,674	67,234	155,832
Miscellaneous	432,809	248,165	281,251	247,966
Total Governmental Activities	<u>\$ 63,872,357</u>	<u>\$ 68,040,513</u>	<u>\$ 69,141,153</u>	<u>\$ 66,715,567</u>
CHANGE IN NET POSITION				
Net Position - Beginning	\$ 8,270,416	\$ 4,446,091	\$ 7,584,736	\$ 8,350,628
Prior Period Adjustment	12,231,577	20,230,793	24,676,884	32,261,620
	(271,200)	-	-	-
NET POSITION - ENDING	<u>\$ 20,230,793</u>	<u>\$ 24,676,884</u>	<u>\$ 32,261,620</u>	<u>\$ 40,612,248</u>

Source: District's financial records.

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 2,539,802	\$ 2,638,630	\$ 3,006,654	\$ 2,839,813	\$ 4,311,917	\$ 4,124,303	
1,304,980	1,282,023	3,412,459	3,995,135	4,266,241	2,861,518	
31,871,947	34,807,847	34,882,433	41,864,419	58,192,802	63,998,715	
585,877	575,454	661,684	672,640	837,285	914,689	
12,446,264	12,770,461	13,731,316	14,675,486	20,315,955	21,525,818	
5,830,014	5,728,525	4,627,197	5,325,192	7,723,650	8,558,982	
5,547,011	5,451,326	5,872,964	5,896,501	7,603,631	7,535,599	
8,026,129	10,862,310	8,720,729	7,217,363	8,747,855	8,816,867	
214,070	245,674	284,226	297,788	293,404	324,005	
3,535,957	3,657,662	3,833,698	4,196,927	5,368,605	4,404,917	
5,095,133	5,184,565	4,741,489	5,700,378	8,813,045	7,934,182	
4,857,587	6,321,276	5,524,589	4,468,070	3,420,106	4,166,426	
<u>\$ 81,854,771</u>	<u>\$ 89,525,753</u>	<u>\$ 89,299,438</u>	<u>\$ 97,149,712</u>	<u>\$ 129,894,496</u>	<u>\$ 135,166,021</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
22,480	32,455	24,765	26,308	26,761	-	
2,041,611	2,416,789	2,283,204	2,111,612	1,776,074	678,388	
-	37,555	45,283	23,940	22,555	-	
7,091,925	7,468,190	8,120,522	8,927,976	9,357,829	-	
-	-	-	-	-	2,283	
1,649,798	945,836	597,264	703,217	676,243	213,135	
818,455	667,632	1,232,924	1,459,009	1,533,822	-	
3,494,017	3,681,974	3,783,649	4,372,770	4,619,387	3,693,674	
4,348,526	4,404,263	4,316,030	5,349,878	6,073,972	5,404,385	
<u>\$ 19,466,812</u>	<u>\$ 19,654,694</u>	<u>\$ 20,403,641</u>	<u>\$ 22,974,710</u>	<u>\$ 24,086,643</u>	<u>\$ 31,632,387</u>	
\$ (62,387,959)	\$ (69,871,059)	\$ (68,895,797)	\$ (74,175,002)	\$ (105,807,853)	\$ (103,533,634)	
\$ 12,500,473	\$ 7,482,156	\$ 13,056,857	\$ 13,444,590	\$ 14,135,608	\$ 14,052,349	
593,366	299,563	625,969	588,822	619,267	637,697	
12,276,100	12,323,594	11,598,007	11,842,023	12,196,755	12,775,030	
42,786,447	52,023,850	51,286,812	54,951,265	62,472,514	57,357,929	
148,994	162,345	203,237	209,657	451,476	1,391,911	
311,291	442,479	753,069	586,410	606,522	51,900	
<u>\$ 68,616,671</u>	<u>\$ 72,733,987</u>	<u>\$ 77,523,951</u>	<u>\$ 81,622,767</u>	<u>\$ 90,482,142</u>	<u>\$ 86,266,816</u>	
\$ 6,228,712	\$ 2,862,928	\$ 8,628,154	\$ 7,447,765	\$ (15,325,711)	\$ (17,266,818)	
40,612,248	46,840,960	49,703,888	12,889,325	20,337,090	3,825,113	
-	-	(45,442,717)	-	(1,186,266)	(6,739,671)	
<u>\$ 46,840,960</u>	<u>\$ 49,703,888</u>	<u>\$ 12,889,325</u>	<u>\$ 20,337,090</u>	<u>\$ 3,825,113</u>	<u>\$ (20,181,376)</u>	

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
FUND BALANCES—GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Reserved	\$ 1,131,115	\$ 1,092,663	\$ -	\$ -
Unreserved	1,532,727	3,563,011	-	-
Nonspendable	-	-	234,241	343,268
Restricted	-	-	1,952,422	2,638,367
Assigned	-	-	4,199,715	4,481,225
Unassigned	-	-	993,868	3,906,828
Total General Fund	<u>2,663,842</u>	<u>4,655,674</u>	<u>7,380,246</u>	<u>11,369,688</u>
All Other Governmental Funds				
Reserved	34,555,677	2,813,426	-	-
Unreserved, Reported in:				
Food Service Fund	464,718	408,175	-	-
Debt Service Funds	1,808,720	1,910,156	-	-
Nonspendable	-	-	53,908	53,680
Restricted	-	-	4,576,738	24,817,547
All Other Governmental Funds	<u>36,829,115</u>	<u>5,131,757</u>	<u>4,630,646</u>	<u>24,871,227</u>
Total All Funds	<u>\$ 39,492,957</u>	<u>\$ 9,787,431</u>	<u>\$ 12,010,892</u>	<u>\$ 36,240,915</u>

Source: District's financial records

Note: The changes in fiscal year 2011 were due to the District's adoption of GASB Statement 54. This change to fund balance classifications was presented prospectively in the statistical section. See Footnote 1 to the financial statements for definitions of fund balance classifications.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
454,439	427,131	339,077	260,373	276,573	313,933
2,864,380	2,755,472	2,041,953	1,504,264	2,998,143	3,181,737
4,858,093	4,281,994	3,788,540	3,377,026	3,591,010	3,521,068
4,639,768	5,476,712	5,101,753	7,461,996	8,623,266	9,320,421
<u>12,816,680</u>	<u>12,941,309</u>	<u>11,271,323</u>	<u>12,603,659</u>	<u>15,488,992</u>	<u>16,337,159</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
36,948	49,599	75,068	98,850	97,955	134,402
20,392,279	58,410,622	3,506,751	28,530,221	14,814,593	116,937,413
<u>20,429,227</u>	<u>58,460,221</u>	<u>3,581,819</u>	<u>28,629,071</u>	<u>14,912,548</u>	<u>117,071,815</u>
<u>\$ 33,245,907</u>	<u>\$ 71,401,530</u>	<u>\$ 14,853,142</u>	<u>\$ 41,232,730</u>	<u>\$ 30,401,540</u>	<u>\$ 133,408,974</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2009	2010	2011	2012
REVENUES				
Local Sources:				
Property Taxes	\$ 22,791,080	\$ 25,512,939	\$ 31,377,154	\$ 25,783,156
Earnings on Investments	1,466,805	774,674	30,957	101,038
Other	6,364,242	6,842,080	7,053,403	7,363,674
State Sources	46,922,230	44,576,003	43,891,829	50,842,163
Federal Sources	1,808,797	6,521,089	3,300,658	2,504,840
Total Revenues	<u>79,353,154</u>	<u>84,226,785</u>	<u>85,654,001</u>	<u>86,594,871</u>
EXPENDITURES				
Current:				
Administration	2,348,936	2,444,355	2,547,644	2,535,087
District Support Services	1,180,872	1,136,646	1,097,056	1,121,383
Regular Instruction	26,186,941	28,168,369	29,325,758	28,259,011
Vocational Education Instruction	1,004,953	1,092,029	640,500	586,156
Special Education Instruction	8,894,180	10,719,741	11,249,103	11,447,631
Instructional Support Services	4,760,179	4,828,927	4,468,731	4,836,950
Pupil Support Services	5,019,368	5,363,719	5,115,598	5,126,464
Sites and Buildings	4,863,356	5,015,473	4,860,360	4,729,465
Fiscal and Other Fixed Cost Programs	239,849	213,604	209,054	221,525
Food Service	2,985,686	3,213,120	3,152,511	3,263,962
Community Service Fund	3,971,797	4,158,902	4,339,786	4,512,173
Capital Outlay	5,009,285	3,122,352	2,470,899	3,133,573
Debt Service:				
Principal	5,910,000	7,060,000	7,930,000	6,970,000
Interest and Fiscal Charges	8,165,351	7,926,274	6,023,540	6,977,268
Total Expenditures	<u>80,540,753</u>	<u>84,463,511</u>	<u>83,430,540</u>	<u>83,720,648</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,187,599)	(236,726)	2,223,461	2,874,223
OTHER FINANCING SOURCES (USES)				
Sale of Equipment	-	-	-	-
Capital Lease Proceeds	-	-	-	-
Issuance of Bonds and Certificates of Participation	-	-	-	12,225,000
Bond Premium	-	-	-	540,394
Payment to Refunded Bond Escrow Agent	-	(29,740,000)	-	(15,885,000)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(29,740,000)</u>	<u>-</u>	<u>(3,119,606)</u>
NET CHANGE IN FUND BALANCE	(1,187,599)	(29,976,726)	2,223,461	(245,383)
Fund Balance - Beginning	40,136,826	38,678,027	8,701,301	10,924,762
Prior Period Adjustment	(271,200)	-	-	24,475,406
FUND BALANCE - ENDING	<u>\$ 38,678,027</u>	<u>\$ 8,701,301</u>	<u>\$ 10,924,762</u>	<u>\$ 35,154,785</u>
Debt Service as a Percentage of Noncapital Expenditures	8.60%	8.70%	8.60%	14.70%

Sources: District's financial records

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 25,437,661	\$ 20,074,801	\$ 25,303,195	\$ 25,944,756	\$ 27,021,325	\$ 27,463,995	
55,585	53,275	84,550	74,084	313,752	1,220,389	
7,869,903	8,362,656	8,441,102	9,596,749	10,706,588	11,160,194	
52,460,460	61,607,587	61,886,855	66,545,145	71,771,894	75,261,765	
2,234,187	2,150,780	2,015,409	2,370,491	2,249,215	2,686,753	
<u>88,057,796</u>	<u>92,249,099</u>	<u>97,731,111</u>	<u>104,531,225</u>	<u>112,062,774</u>	<u>117,793,096</u>	
2,565,950	2,833,719	3,055,111	2,947,937	3,290,901	3,106,186	
1,254,200	1,295,669	2,858,468	3,386,416	3,002,180	3,395,533	
28,627,105	32,789,161	36,427,518	38,404,368	41,850,206	45,011,355	
585,877	575,454	665,893	666,499	629,187	684,120	
12,525,730	13,287,188	13,912,768	14,638,752	15,424,027	16,672,827	
5,130,144	5,297,931	4,528,930	4,822,893	4,985,570	5,981,560	
5,566,546	5,539,546	5,872,939	5,869,699	6,794,084	6,911,160	
6,646,224	5,403,969	5,307,435	5,339,001	5,771,362	10,591,372	
214,070	245,674	284,226	297,788	293,404	324,005	
3,401,848	3,507,316	3,750,933	4,042,564	4,406,833	4,369,240	
5,019,746	5,187,145	4,743,472	5,605,924	6,799,019	7,295,691	
5,769,484	22,474,291	16,073,550	3,822,075	4,216,840	6,536,137	
6,990,000	8,224,303	8,993,067	7,600,341	8,756,057	8,912,571	
5,767,520	5,600,179	7,304,333	5,111,732	5,129,241	4,658,488	
<u>90,064,444</u>	<u>112,261,545</u>	<u>113,778,643</u>	<u>102,555,989</u>	<u>111,348,911</u>	<u>124,450,245</u>	
(2,006,648)	(20,012,446)	(16,047,532)	1,975,236	713,863	(6,657,149)	
-	-	19,144	-	-	-	
-	11,170,000	-	-	-	-	
17,880,000	42,400,000	-	21,400,000	11,480,000	107,639,049	
334,335	4,598,069	-	3,004,352	1,244,947	2,025,534	
(19,750,000)	-	(40,520,000)	-	(24,270,000)	-	
400,877	75,047	-	-	-	10,000	
(400,877)	(75,047)	-	-	-	(10,000)	
<u>(1,535,665)</u>	<u>58,168,069</u>	<u>(40,500,856)</u>	<u>24,404,352</u>	<u>(11,545,053)</u>	<u>109,664,583</u>	
(3,542,313)	38,155,623	(56,548,388)	26,379,588	(10,831,190)	103,007,434	
35,154,785	31,612,472	69,768,095	14,853,142	41,232,730	30,401,540	
-	-	1,633,435	-	-	-	
<u>\$ 31,612,472</u>	<u>\$ 69,768,095</u>	<u>\$ 14,853,142</u>	<u>\$ 41,232,730</u>	<u>\$ 30,401,540</u>	<u>\$ 133,408,974</u>	
10.60%	10.00%	12.40%	10.10%	8.20%	11.85%	

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
NET TAX CAPACITY AND VALUATION OF ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Year Taxes Collectible	Valuations		Fiscal Disparities		Tax Increment Valuation	Taxable Valuation
	Agricultural	Nonagricultural	Contribution Value	Distribution Value		
2009	\$ 830,513	\$ 50,172,774	\$ (1,777,782)	\$ 4,347,396	\$ (603,913)	\$ 52,968,988
2010	537,069	48,471,205	(1,996,593)	4,822,699	(600,610)	51,233,770
2011	511,974	46,542,493	(2,083,840)	4,881,998	(472,418)	49,380,207
2012	500,611	44,185,480	(2,009,246)	4,251,057	(449,119)	46,478,783
2013	495,974	41,599,508	(1,949,749)	4,001,667	(434,191)	43,713,209
2014	540,763	42,942,854	(1,910,156)	3,895,580	(431,266)	45,037,775
2015	572,038	46,428,144	(1,884,660)	4,046,085	(441,042)	48,720,565
2016	661,307	49,765,855	(2,069,686)	4,288,582	(470,937)	52,175,121
2017	601,261	51,010,882	(2,098,655)	4,674,702	(496,771)	53,691,419
2018	601,264	50,293,799	(2,171,401)	4,974,333	(691,765)	53,006,230

Source: School Tax Report from County Auditor's Office

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

Tax Year					Overlapping Rates		
	General Fund	Community Service Fund	Debt Service Fund	Total	Scott County	City of Prior Lake	City of Savage
2009	3.54	0.97	26.29	30.80	32.684	27.947	46.013
2010	4.05	1.11	27.54	32.70	33.237	29.442	47.335
2011	5.83	1.28	26.93	34.04	35.541	30.710	48.278
2012	6.65	1.29	26.45	34.39	38.802	29.740	51.123
2013	5.82	1.34	28.35	35.52	40.674	31.887	55.508
2014	8.99	1.33	24.25	34.57	39.720	30.736	55.278
2015	7.30	1.20	24.14	32.64	36.638	31.988	51.743
2016	7.58	1.19	23.46	32.23	36.175	31.953	49.905
2017	7.58	1.19	23.46	32.23	35.896	32.685	47.840
2018	7.58	1.19	23.46	32.23	35.114	33.040	47.117

Notes:

(1) Tax Capacity Rate Method

Sources: Overlapping Rate Data provided by the District's financial advisor, Ehlers & Associates and Scott County. School Direct Rate is taken from the District's annual financial reports.

Overlapping Rates

Credit River Township	Sand Creek Township	Spring Lake Township	PL-Spring Lake Watershed District	Scott County CDA	Prior Lake EDA	Metropolitan Council	Total Direct and Overlapping Tax Rate
-	-	-	1.784	1.552	-	0.803	141.584
-	-	-	2.005	1.612	-	0.795	147.126
-	-	-	2.069	1.701	-	0.828	153.167
-	-	-	2.084	1.729	-	0.959	158.825
-	-	-	2.101	1.724	0.625	1.017	169.056
-	-	-	2.058	1.685	0.551	1.034	165.634
-	-	-	2.435	1.571	0.551	0.959	158.523
-	-	-	3.157	1.642	-	0.921	155.981
14.017	17.761	15.251	3.401	1.639	-	0.850	201.570
14.864	17.837	15.081	4.356	1.617	-	0.853	169.879

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
PRINCIPAL PROPERTY TAXPAYERS
2018 AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2018			2009		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
Shepherd's Path Senior Housing	\$ 314,270	3	0.58%	\$ 348,125	1	0.72%
Target Corporation	265,250	5	0.49%	336,234	2	0.69%
Centro Bradley SPE 7 LLC			0.00%	254,456	3	0.52%
Bre Retail Residual Owner 4 LLC	324,985	2	0.60%			0.00%
Continental 298 Fund LLC	500,000	1	0.93%			0.00%
Centerpoint Energy Resource	307,147	4	0.57%	153,501	7	0.32%
Savage Station LLC	201,520	7	0.37%			0.00%
Keystone Com of PL LLC	201,875	6	0.37%	150,000	8	0.31%
Bealmake Partners LLC & Attn Bernard D Paul	176,790	8	0.33%	159,950	6	0.33%
Prior Lake Leased Housing Associates I LLLP	175,000	9	0.32%			0.00%
Restan LLC			0.00%	127,834	10	0.26%
Wensmann Realty			0.00%	208,303	4	0.43%
MN Savage 16			0.00%	204,436	5	0.42%
Minnesota Valley Electric Coop.	148,420	10	0.27%	143,758	9	0.30%
Total	\$ 2,615,257		4.84%	\$ 2,086,597		4.29%

Sources: Data provided by Scott County Auditor's Report.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Tax Year	Taxes Levied for the Fiscal Year			Total Tax Levy (1)	Property Credits/Aids and Adjustments	Adjusted Tax Levy
	General Fund	Community Service Fund	Debt Service Fund			
2009	\$11,537,066	\$ 514,872	\$13,947,474	\$ 25,999,412	\$ 398,507	\$ 25,600,905
2010	11,427,190	565,123	14,033,036	26,025,349	463,065	25,562,284
2011	11,891,723	631,543	13,246,035	25,769,301	486,720	25,282,581
2012	12,359,327	600,035	12,281,712	25,241,074	8,582	25,232,492
2013	12,260,114	585,882	12,358,010	25,204,006	8,067	25,195,939
2014	13,088,481	597,882	11,605,207	25,291,570	7,772	25,283,798
2015	13,239,027	590,036	11,866,157	25,695,220	12,003	25,683,217
2016	14,030,608	621,944	12,249,878	26,902,430	12,036	26,890,394
2017	14,138,686	643,470	12,890,347	27,672,503	11,493	27,661,010
2018	17,176,096	596,039	15,038,943	32,811,078	59,090	32,751,988

Notes:

(1) State credits are included in the operating levy.

Sources: Data provided by the District's financial advisor, Ehlers & Associates, the District's annual financial reports and Scott County.

Collected within the Fiscal Year of Levy			Total Collections to Date			Outstanding Delinquent Taxes	Percentage of Adj Levy Outstanding
Current Tax Collection	Percentage of Adjusted Levy	Collections/Adj in Subsequent Years	Total Tax Collection	Percentage of Adjusted Tax Levy			
\$ 12,494,369	48.8%	\$ 13,106,536	\$ 25,600,905	100.0%	\$ -	0.0%	
11,050,980	43.2%	14,511,304	25,562,284	100.0%	-	0.0%	
12,584,005	49.8%	12,695,286	25,279,291	100.0%	3,290	0.0%	
12,722,420	50.4%	12,509,346	25,231,766	100.0%	726	0.0%	
12,673,465	50.3%	12,518,228	25,191,693	100.0%	4,246	0.0%	
12,473,681	49.3%	12,802,516	25,276,197	100.0%	7,601	0.0%	
12,641,912	49.2%	13,031,910	25,673,822	100.0%	9,395	0.0%	
13,137,431	48.9%	13,734,446	26,871,877	99.9%	18,517	0.1%	
13,522,981	48.9%	14,077,381	27,600,362	99.8%	60,648	0.2%	
14,929,190	45.6%	-	14,929,190	45.6%	-	0.0%	

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Capital Leases	Special Assessments Payable	Lease Purchase Payable			
2009	\$ 172,351,037	\$ -	\$ -	\$ -	\$ 172,351,037	\$ -	\$ 3,457
2010	135,388,183	-	-	-	135,388,183	-	2,607
2011	151,878,463	-	-	-	151,878,463	-	3,055
2012	141,376,492	-	-	-	141,376,492	-	2,809
2013	132,519,355	533,022	-	-	133,052,377	-	2,606
2014	170,643,325	11,673,719	-	-	182,317,044	-	3,395
2015	119,662,618	11,285,652	-	-	130,948,270	-	2,387
2016	136,247,465	10,720,311	-	-	146,967,776	-	2,657
2017	115,281,866	10,134,254	-	-	125,416,120	-	2,247
2018	215,470,437	9,526,683	-	-	224,997,120	-	3,941

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) = Personal income information for residents living within the District is not available.

Source: Data is taken from the District's annual financial reports.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
DECEMBER 31, 2017
(UNAUDITED)**

	General Obligation Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
	<u> </u>	<u> </u>	<u> </u>
Overlapping:			
Scott County	\$ 52,465,000	32%	\$ 16,586,742
Cities:			
Prior Lake	36,960,000	97%	36,004,730
Savage	59,958,395	46%	27,826,530
Townships:			
Cedar Lake	63,768	0.33%	213
Credit River	2,160,000	34%	741,359
Sand Creek	370,000	1%	3,891
Spring Lake	2,090,000	62%	1,286,051
Special Taxing Districts:			
Metropolitan Council	1,484,038,432	32%	479,160,132
Scott County CDA	51,185,000	32%	16,182,071
Prior Lake Spring Lake Watershed	665,000	90%	596,462
Total Overlapping			<u>578,388,182</u>
Direct:			
Prior Lake - Savage ISD No. 719			
	205,449,049	100%	<u>205,449,049</u>
Total Direct and Overlapping Bonded Debt:			<u><u>\$ 783,837,231</u></u>

Sources: Data provided by Scott County as of December 31, 2017. No more current data is available.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
(UNAUDITED)**

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 713,423,190	\$ 671,669,775	\$ 657,162,840	\$ 624,215,400	\$ 587,192,010
Total Net Debt Applicable to Limit	<u>172,351,037</u>	<u>135,388,183</u>	<u>151,878,463</u>	<u>141,376,492</u>	<u>133,052,377</u>
Legal Debt Margin	<u>\$ 541,072,153</u>	<u>\$ 536,281,592</u>	<u>\$ 505,284,377</u>	<u>\$ 482,838,908</u>	<u>\$ 454,139,633</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.16%	20.16%	23.11%	22.65%	22.66%

Sources: Data provided by the District's financial advisor, Ehlers & Associates and Scott County.

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Value	\$ 5,302,844,800
Debt Limit (15% of Assessed Value)	795,426,720
Debt Applicable to Limit	<u>224,997,120</u>
Legal Debt Margin	<u><u>\$ 570,429,600</u></u>

Fiscal Year				
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 607,831,200	\$ 658,042,695	\$ 706,827,915	\$ 729,767,535	\$ 795,426,720
<u>182,317,044</u>	<u>130,948,270</u>	<u>137,795,311</u>	<u>116,249,254</u>	<u>224,997,120</u>
<u><u>\$ 425,514,156</u></u>	<u><u>\$ 527,094,425</u></u>	<u><u>\$ 569,032,604</u></u>	<u><u>\$ 613,518,281</u></u>	<u><u>\$ 570,429,600</u></u>
29.99%	19.90%	19.49%	15.93%	28.29%

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
(UNAUDITED)**

Fiscal Year	Outstanding Bonded Debt	Balance on Hand	Net Bonded Debt	Estimated Actual Value of Taxable Property	Percent of Net Debt to Estimated Taxable Property	Estimated Population	Net Debt Per Capita
2009	\$ 172,351,037	\$ 32,072,824	\$ 140,278,213	\$ 4,756,154,600	2.95%	49,852	\$ 2,814
2010	135,388,183	1,910,156	133,478,027	4,477,799,500	2.98%	51,936	2,570
2011	151,878,463	2,069,139	149,809,324	4,305,849,300	3.48%	49,707	3,014
2012	141,376,492	36,240,915	105,135,577	4,245,859,800	2.48%	50,335	2,089
2013	132,519,355	33,245,907	99,273,448	4,016,674,700	2.47%	51,055	1,944
2014	170,643,325	77,191,233	93,452,092	4,143,601,000	2.26%	53,700	1,740
2015	119,662,618	1,438,402	118,224,216	4,456,780,100	2.65%	54,850	2,155
2016	136,247,465	26,050,216	110,197,249	4,764,590,700	2.31%	55,306	1,993
2017	115,281,866	1,329,278	113,952,588	4,920,507,700	2.32%	55,805	2,042
2018	215,470,437	2,007,932	213,462,505	5,345,012,000	3.99%	57,096	3,739

Source: Independent Auditor's Report and State Demographer.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Prior Lake Population	Savage Population	Personal Income (<i>thousands of dollars</i>) (1)	Per Capita Personal Income (1)	Enrollment	Unemployment Rate (1)
2009	23,000	26,852	-	-	6,877	-
2010	24,250	27,686	-	-	6,975	-
2011	22,796	26,911	-	-	7,021	-
2012	23,010	27,325	-	-	7,112	-
2013	23,261	27,794	-	-	7,211	-
2014	24,700	29,000	-	-	7,402	-
2015	25,440	29,410	-	-	7,591	-
2016	25,282	30,024	-	-	7,962	-
2017	25,520	30,285	-	-	8,385	-
2018	25,735	31,361	-	-	8,607	-

Notes:

(1) = Personal income and unemployment information for residents living within the District is not available.

Source: Metropolitan Council (Data Center Department and Website), Cities of Prior Lake & Savage, the District's annual financial reports and the Minnesota Department of Education.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
PRINCIPAL EMPLOYERS
2016 AND NINE YEARS AGO
(UNAUDITED)**

Employer	<u>2018</u>		<u>2011</u>	
	(1)		(2)	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Shakopee Mdewakanton Sioux Community	4,500	1	3,500	1
I.S.D. No. 719 (Prior Lake-Savage)	987	2	969	2
Fabcon, Inc.	275	3	275	5
Super Target	200	6	400	3
Waste Management				
The Wild's			150	8
Life Time Fitness Center	250	4	250	6
Master Electric Co.	200	5		
Dakotah! Sports and Fitness Center			150	7
Continental Hydraulics	100	9	356	4
City of Prior Lake			85	10
Cub Foods	100	10	100	9
Playworks	175	7		
Rainbow Foods				
Axel's Bonfire	150	8		
Village Market				
	<hr/>		<hr/>	
Total	<u>6,937</u>		<u>6,235</u>	

Note: Total employment for the area served by Prior Lake - Savage ISD No. 719 is not available and, therefore, a percentage of total employment for each of the employers listed above is not included.

Source:

(1) ReferenceUSA, written and telephone survey (December 2017), and the Minnesota Department of Employment and Economic Development

(2) 2011 information provided by the District's financial advisor Ehlers & Associates Bond Refunding documents.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Full-Time-Equivalent Employees as of June 30,				
	2009	2010	2011	2012	2013
<u>Licensed Positions</u>					
Administrative Staff					
Superintendent	1.0	1.0	1.0	1.0	1.0
Principals	9.0	10.0	10.0	10.0	10.0
Administrative Assistants	6.0	6.0	6.0	6.0	6.0
Supervisory Coordinator	1.0	1.0	1.0	1.0	1.0
Total Administrative Staff	<u>17.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>
Support Service Staff					
Other Non-Instructional Staff	8.5	8.0	7.9	8.4	11.5
Counselors	7.8	7.8	7.8	7.8	8.8
Media/Librarian	7.1	7.6	6.3	6.3	6.4
Nurse	3.0	4.0	4.0	4.0	5.0
Social Worker	8.5	10.5	10.5	10.5	10.1
Psychologists	3.0	4.0	4.0	4.0	4.0
Total Support Service Staff	<u>37.9</u>	<u>41.9</u>	<u>40.5</u>	<u>41.0</u>	<u>45.7</u>
Special Education Teachers					
Speech Language	13.2	13.6	13.6	13.6	12.6
Other Special Education Teacher	50.1	45.2	45.5	44.1	46.7
Total Special Education Teachers	<u>63.3</u>	<u>58.8</u>	<u>59.1</u>	<u>57.7</u>	<u>59.3</u>
Classroom Teachers					
K - 12 Teacher	304.6	297.1	289.1	269.4	277.5
Vocational Education Teacher	0.4	0.4	0.4	-	-
Pre-K, ECFE, and Other Teacher	14.1	18.5	18.5	20.0	20.0
Total Classroom Teachers	<u>319.1</u>	<u>316.0</u>	<u>308.0</u>	<u>289.4</u>	<u>297.5</u>
Total Licensed Positions	<u><u>437.2</u></u>	<u><u>434.7</u></u>	<u><u>425.6</u></u>	<u><u>406.1</u></u>	<u><u>420.4</u></u>

Source: Minnesota Department of Education STARS data.

Full-Time Equivalent Employees as of June 30,

2014	2015	2016	2017	2018
1.0	1.0	1.0	1.0	1.0
10.0	9.0	9.0	9.0	9.0
6.0	6.0	6.0	6.0	6.0
1.0	3.0	3.0	3.0	8.6
<u>18.0</u>	<u>19.0</u>	<u>19.0</u>	<u>19.0</u>	<u>24.6</u>
23.4	23.0	26.7	36.5	48.0
9.0	10.0	10.0	10.5	10.4
6.3	7.0	6.9	7.2	7.6
5.0	5.0	5.0	5.0	5.0
10.5	10.4	10.3	11.0	11.0
5.0	5.0	4.1	6.0	6.0
<u>59.2</u>	<u>60.4</u>	<u>63.0</u>	<u>76.2</u>	<u>88.0</u>
13.0	14.1	13.6	13.4	13.5
48.0	51.5	52.0	58.9	77.8
<u>61.0</u>	<u>65.6</u>	<u>65.6</u>	<u>72.3</u>	<u>91.3</u>
291.1	304.4	310.7	326.4	351.8
-	0.2	-	0.2	-
23.0	24.0	25.0	26.0	29.9
<u>314.1</u>	<u>328.6</u>	<u>335.7</u>	<u>352.6</u>	<u>381.7</u>
<u>452.3</u>	<u>473.5</u>	<u>483.4</u>	<u>520.1</u>	<u>585.6</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Enrollment	Total Governmental Funds Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio
2009	6,877	\$ 80,540,753	\$ 13,453	(10.00)	382.4	18.0
2010	6,975	84,463,511	11,712	(12.94)	374.9	18.6
2011	7,021	83,430,540	12,109	3.39	367.1	19.1
2012	7,112	83,720,648	11,883	(1.87)	347.1	20.5
2013	7,211	90,064,444	11,772	(0.93)	356.7	20.2
2014	7,402	112,261,545	12,490	6.10	375.1	19.7
2015	7,591	113,778,643	15,166	21.43	394.2	19.3
2016	7,962	102,555,989	14,989	(1.17)	401.3	19.8
2017	8,385	111,348,911	12,881	(14.06)	424.9	19.7
2018	8,607	91,461,824	13,280	3.10	473.0	18.2

Source: District records and teaching staff numbers from the Minnesota Department of Education STARS data.

**PRIOR LAKE-SAVAGE AREA SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 719
BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>School</u>	Fiscal Year June 30,			
	2009	2010	2011	2012
Elementary				
Westwood (1963)				
Square feet	82,426	82,426	82,426	82,426
Capacity	630	630	630	630
Enrollment (1)	576.58	435.49	450.34	455.53
Five Hawks (1973)				
Square feet	67,940	67,940	67,940	67,940
Capacity	635	635	635	635
Enrollment (1)	580.96	445.33	444.56	468.76
Grainwood (1952)				
Square feet	72,835	72,835	72,835	72,835
Capacity	585	585	585	585
Enrollment (1)	491.30	384.90	383.28	361.25
Glendale (1997)				
Square feet	90,624	90,624	90,624	90,624
Capacity	680	680	680	680
Enrollment (1)	632.81	603.32	585.09	598.68
Jeffers Pond (2006)				
Square feet	90,011	90,011	90,011	90,011
Capacity	635	635	635	635
Enrollment (1)	651.22	563.03	539.45	501.70
Oakridge (1969) now Twin Oaks Middle				
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment (1)	-	-	-	-
Redtail Ridge (2008)				
Square feet	90,011	90,011	90,011	90,011
Capacity	660	660	660	660
Enrollment (1)	-	527.14	524.82	533.19
Middle				
Hidden Oaks (1989)				
Square feet	184,310	184,310	184,310	184,310
Capacity	1,008	1,008	1,008	1,008
Enrollment (1)	876.71	907.82	908.87	928.60
Twin Oaks (1969)				
Square feet	214,939	214,939	214,939	214,939
Capacity	784	784	784	784
Enrollment (1)	740.57	734.51	737.42	788.33
High				
Prior Lake (2003)				
Square feet	354,635	354,635	354,635	354,635
Capacity	2,000	2,000	2,000	2,000
Enrollment (1)	1,964.07	2,051.30	2,135.84	2,150.26
Other				
Edgewood Kindergarten/ECFE Center (2006)				
Square feet	50,575	50,575	50,575	50,575
Capacity	360	360	360	360
Enrollment (1)	265.64	216.68	193.31	195.79
Ponds Edge Kindergarten (1994) now DSC				
Square feet	-	-	-	-
Capacity	-	-	-	-
Enrollment (1)	-	-	-	-
Administration District Service Center (1994)				
Square feet	20,606	20,606	20,606	20,606
Total				
Square feet	1,318,912	1,318,912	1,318,912	1,318,912
Capacity	7,977	7,977	7,977	7,977
Enrollment	6,779.86	6,869.52	6,902.98	6,982.09
Athletics				
Football fields	7	7	7	7
Soccer fields	8	10	10	10
Running tracks	2	2	2	2
Softball	14	16	16	16
Swimming pools	2	2	2	2
Playgrounds	9	10	10	10

Notes: Enrollment reflects average daily membership served by site. Resident students served under tuition agreements are excluded from this enrollment data.

Source: Square footage obtained from the MN Department of Education website. The capacity was obtained from Wold Architects. Enrollment was obtained from a combination of District records and "School Average Daily Membership" reports available on the Minnesota Department of Education web. The athletic statistics are derived from District records.

Fiscal Year June 30,

2013	2014	2015	2016	2017	2018
82,426	82,426	82,426	82,426	82,426	82,426
630	630	630	630	598	598
494.80	530.95	566.55	571.91	631.67	566.02
67,940	67,940	67,940	67,940	67,940	67,940
635	635	635	635	621	621
481.95	525.31	572.36	554.40	592.71	584.34
72,835	72,835	72,835	72,835	72,835	72,835
585	585	585	585	414	414
345.06	337.61	334.42	337.87	372.82	415.56
90,624	90,624	90,624	90,624	90,624	90,624
680	680	680	680	644	644
565.81	567.92	579.34	592.21	582.28	586.56
90,011	90,011	90,011	90,011	90,011	90,011
635	635	635	635	575	575
502.85	492.73	512.68	541.29	574.50	598.66
-	-				
-	-				
-	-				
90,011	90,011	90,011	90,011	90,011	90,011
660	660	660	660	598	598
564.54	609.08	651.31	679.63	722.03	753.30
184,310	184,310	184,310	184,310	184,310	184,310
1,008	1,008	1,008	1,008	1,119	1,119
906.81	908.19	916.13	963.85	1,017.76	989.43
214,939	214,939	214,939	214,939	214,939	214,939
784	784	784	784	928	928
810.13	831.97	857.83	879.57	955.88	981.12
354,635	354,635	387,635	387,635	387,635	33,000
2,000	2,000	2,250	2,250	2,530	2,530
2,219.04	2,269.74	2,344.81	2,514.20	2,523.63	2,639.81
50,575	50,575	50,575	50,575	50,575	50,575
360	360	360	360	230	230
203.43	207.45	111.98	182.40	271.60	347.57
-	-				
-	-				
-	-				
20,606	20,606	20,606	20,606	20,607	20,607
1,318,912	1,318,912	1,351,912	1,351,912	1,351,913	997,278
7,977	7,977	8,227	8,227	8,257	8,257
7,094.42	7,280.95	7,447.41	7,817.33	8,244.88	8,462.37
7	7	7	7	6	6
10	10	10	10	11	11
2	2	2	2	3	3
16	16	16	16	14	14
2	2	2	2	2	2
10	10	10	10	10	10