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## **Prior Lake-Savage Area Schools receives clean audit report**

As I meet with stakeholders throughout our community, one little-known fact many are not aware of is that public schools must undergo annual audits conducted by independent accounting firms. Prior Lake-Savage Area Schools (PLSAS) is no different, and last Monday the School Board received a detailed report from the accounting firm: Malloy, Montague, Karnowski, Radosevich & Co. (MMKR).

I am pleased to report that PLSAS has again been issued a clean audit report from MMKR, which is the highest opinion an auditor can issue for school districts.

While audits may not seem exciting, they are important. Audits are done to ensure school districts are in compliance with state and federal requirements, internal and administrative controls and to ensure the accuracy of financial reports used in calculating state and federal aid. They provide a level of transparency and credibility for community members and validate sound financial practices.

Overall, the Board learned from MMKR that our finance department is providing thorough financial oversight of taxpayer dollars and exhibits strong fiscal controls.

PLSAS is committed to responsible management of our community's financial resources. Here are some financial facts our community should know:

- Recent building bond refinancing will save taxpayers nearly \$1M over the next 6 years.
- PLSAS offers good value. Our educational cost per student is nearly \$2,000 less than the average school district in the seven-county metro area, while still being able to offer innovative programs and personalized learning.
- Our district has earned the Certificate of Excellence in Financial Reporting award from the Association of School Business Officials International for the past 11 years, along with the Minnesota Department of Education School Finance Award for exhibiting fiscal health, sound fiscal management and accountability.
- Since 2017, PLSAS has maintained an Aa2 bond (credit) rating, which is higher than the average rating for schools of Aa3. This rating means the district meets its financial commitments and taxpayers can expect to receive better interest rates on district bond refinancing and any new bond issues.
- The district has worked hard to build a fiscally responsible fund balance over the past 11 years to provide more financial stability.

- Thanks to the public's investment in energy efficient buildings, mechanical renovations and the PLSAS Operations Department's close monitoring of system controls, our district saved nearly \$173,000 last school year in energy costs.
- In 2011 the district became self-insured for health insurance. Since that time the district's average yearly health insurance premium increase has been 2.6%, compared to the national average increase of nearly 7%.
- In response to state education funding that has not kept pace with inflation for nearly 20 years, the district has made annual budget adjustments to balance the budget while continuing to offer an education that attracts families to move into our district.

None of this would be possible without sound fiscal practices in place. Our annual audit represents a great deal of work both from the team of independent accountants and our business office staff, as complex compliance and reporting requirements are meticulously reviewed.

We are also committed to our Strategic Plan, written with the help of our community, which calls on us to continue fiscal accountability through operational excellence and the alignment of human, financial and physical resources to district goals.

While school district audits perhaps aren't the first thing on people's minds, we believe it is critically important for us to continue to be transparent with our district finances and act in the best interest of our stakeholders. To that end, a detailed report is available on the district's website: [www.priorlake-savage.k12.mn.us](http://www.priorlake-savage.k12.mn.us)

We strive to provide our community with the best education possible for all students. Financial audits are a foundational piece of how we operate, along with hiring talented staff, providing programs that meet our students' needs and being innovative in our offerings. Thank you for your continued support of PLSAS! #WeArePLSASAllIn!