

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



**2014-15**  
**Comprehensive**  
**Annual Financial Report**  
Year Ended June 30, 2015

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, 2015

Prepared by:

District Business Office

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2015**

**INTRODUCTORY SECTION**

LETTER OF TRANSMITTAL	1
SCHOOL BOARD AND ADMINISTRATION	13
ORGANIZATIONAL CHART	14
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING	15

**FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT	16
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	19
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	32
STATEMENT OF ACTIVITIES	33
BALANCE SHEET – GOVERNMENTAL FUNDS	34
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	35
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS	36
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	37
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND	38
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – FOOD SERVICE FUND	39
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – COMMUNITY SERVICE FUND	40
STATEMENT OF NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND	41
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION – PROPRIETARY FUND – INTERNAL SERVICE FUND	42
STATEMENT OF CASH FLOWS – PROPRIETARY FUND – INTERNAL SERVICE FUND	43
NOTES TO BASIC FINANCIAL STATEMENTS	44

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

**FINANCIAL SECTION – REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFIT PLANS	82
SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR POSTEMPLOYMENT BENEFIT PLANS	82
TRA SCHEDULE OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	83
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS	84
PERA SCHEDULE OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	85
PERA SCHEDULE OF DISTRICT CONTRIBUTIONS	86

**FINANCIAL SECTION - SUPPLEMENTAL INFORMATION**

GENERAL FUND	
BALANCE SHEET	87
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	88
FOOD SERVICE SPECIAL REVENUE FUND	
BALANCE SHEET	91
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	92
COMMUNITY SERVICE SPECIAL REVENUE FUND	
BALANCE SHEET	93
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	94
CAPITAL PROJECT – BUILDING CONSTRUCTION FUND	
BALANCE SHEET	95
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	96
DEBT SERVICE FUND	
BALANCE SHEET	97
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL	98
INTERNAL SERVICE FUND	
COMBINING BALANCE SHEET	99
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION	100
COMBINING STATEMENT OF FUND CASH FLOWS	101
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE	102

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2015**

**STATISTICAL SECTION (UNAUDITED)**

STATISTICAL SECTION CONTENTS	104
NET POSITION BY COMPONENT	105
CHANGES IN NET POSITION	107
FUND BALANCES, GOVERNMENTAL FUNDS	109
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS	111
NET TAX CAPACITY AND VALUATION OF ALL TAXABLE PROPERTY	113
DIRECT AND OVERLAPPING PROPERTY TAX RATES	115
PRINCIPAL PROPERTY TAXPAYERS	117
PROPERTY TAX LEVIES AND COLLECTIONS	118
OUTSTANDING DEBT BY TYPE	120
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT	121
LEGAL DEBT MARGIN INFORMATION	122
RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND LEGAL DEBT MARGIN	124
DEMOGRAPHIC AND ECONOMIC STATISTICS	125
PRINCIPAL EMPLOYERS	126
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE	127
OPERATING STATISTICS	129
BUILDING INFORMATION	130

## **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 28, 2015

**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, 2015. 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 Office of Management and Budget Circular A-133. 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 undesignated funds. The past 4 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, reduced rates for property insurance, and increased use of technology to automate processes. The district recently awarded a performance contract to Nexus Corporation to improve lighting, HVAC, and other mechanical systems to lower cost consumption by updating and improving performances of these systems.
- In November 2008, the District's voters approved an operating referendum renewal along with a \$210 per pupil unit increase. As a result of the successful election the operating referendum per pupil unit is \$1,051 and is in place for ten years. Local Optional revenue is a new component of General Education Revenue, beginning in FY 2015. This allows for \$424 of referendum revenue to become non-voter approved. Since most districts have already passed referendums to fund portions of these higher costs, Local Optional revenue is deducted from referendum revenue. The district's operating referendum is now \$699 PPU with an additional \$424 for local option revenue.
- In 2014, the Legislature approved several changes to the funding formula. The legislature increased the basic formula 1.5%, adjusted the weighting units for all students, and funding all-day, every-day Kindergarten. Students in grades K-6 are now weighted at 1.0 and secondary students are weighted at 1.2. In order for this to occur without harming schools for the reduction in weighting, the basic formula increased to \$5,806. This includes the 1.5% increase to the basic formula.
- 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.
- Funding has been below the current annual rate of inflation for the last twenty years. Accordingly, the District continues to utilize sophisticated enrollment and financial planning tools, along with detailed and conservative budgeting and budget monitoring processes.

## **DISTRICT ACCOMPLISHMENTS AND PROGRAMS**

Under the leadership of the School Board and Superintendent Dr. Sue Ann Gruver, the District continues to enjoy academic success.

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. Jeffers Pond Elementary, Five Hawks Elementary and Redtail Ridge Elementary Schools have also earned individual Green Ribbon School Awards over the past three years. 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 ESTEM (Environmental, Science, Technology, Engineering, Math) educational model.

The 2013-14, the school board made the decision to implement 1:1 iPads at the 8<sup>th</sup> grade level with additional implementation at PLHS in subsequent years. Due to the success of the program, the school board decided in 2014-15 to implement 1:1 iPads at grades 8-12 for the 2015-16 school year. This included additional infrastructure at Hidden Oaks Middle School, Twin Oaks Middle School and Prior Lake High School to ensure adequate connectivity for all students via WI-FI.

In the spring of 2015, students in Prior Lake-Savage Area Schools took the Minnesota Comprehensive Assessment Tests in reading, math and science. The MCA tests are required for state accountability purposes under the No Child Left Behind Act (NCLB) and also to comply with the accountability system under the state of Minnesota's NCLB waiver. 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, eight, and ten are required to take the science test, but the results do not count towards graduation requirements or NCLB requirements.

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.

The following overviews provide comparison of the 2014 MCA and 2015 MCA test results. Italicized charts indicate the district's history of test scores over the past five years.

During the 2015 testing season, the online test administration system provided by Pearson experienced an interruption on April 21<sup>st</sup>. On this date, some Prior Lake-Savage elementary and high school students were completing their math test. Some middle school students were completing their reading test. On May 13<sup>th</sup>, another interruption occurred. During this time, some elementary and middle school students were completing their science test. On May 14<sup>th</sup>, all testing was suspended by Commissioner Cassellius.

### **Reading Overview**

- The scores listed in the first and second tables below indicate the percentage of students achieving proficiency on the MCA-III Reading Assessment, which assesses the 2010 Minnesota Academic Reading Standards, including the embedded Common Core standards.
- This year, students in grade ten took this test online for the first time. Grades 3-8 also completed the assessment online.
- 2014-2015 fifth graders, as a cohort, increased their reading proficiency by 11.1% from 68.1% in 2014 to 79.2% in 2015.

- Both grades four and seven increased their reading proficiency by more than 5% from 2014 to 2015.
- PLSAS students are outperforming state peers by more than 10.6% percent at all grade levels.

MCA-III 2015 Reading Scores

Grade Level	2014 District Percentage of Students Proficient MCA III	2015 District Percentage of Students Proficient MCA III	Difference between 2014 & 2015	2015 State Percentage of Students Proficient	Difference between District and State
3rd Grade	71.9%	70.4%	-1.5%	58.7%	11.7%
4th Grade	68.1%	73.3%	5.2%	57.9%	15.4%
5th Grade	82.4%	79.2%	-3.2%	66.7%	12.5%
6th Grade	76.1%	77.3%	1.2%	63.9%	13.4%
7th Grade	68.8%	74.1%	5.3%	55.6%	18.5%
8th Grade	66.4%	66.6%	0.2%	56.0%	10.6%
10 <sup>th</sup> Grade	71.1%	71.4%	0.3%	57.0%	14.4%

District History of MCA Reading Scores

Grade Level	2011 District Percentage of Students Proficient MCA II	2012 District Percentage of Students Proficient MCA II	2013 District Percentage of Students Proficient MCA III	2014 District Percentage of Students Proficient MCA III	2015 District Percentage of Students Proficient MCA III
3rd Grade	88.0%	89.9%	70.5%	71.9%	70.4%
4th Grade	85.6%	89.6%	72.0%	68.1%	73.3%
5th Grade	85.9%	88.0%	78.1%	82.4%	79.2%
6th Grade	81.2%	81.7%	68.2%	76.1%	77.3%
7th Grade	79.8%	82.5%	68.1%	68.8%	74.1%
8th Grade	76.5%	81.6%	66.8%	66.4%	66.6%
10 <sup>th</sup> Grade	80.1%	83.2%	66.8%	71.1%	71.4%

2015 Individual School Reading Scores – All Grades

- Numbers indicate the percentage of students in each category. Students in the Exceeds or Meets category are considered to be proficient on the MCA's.

School	Exceeds	Meets	Partially Meets	Does Not Meet
Five Hawks	16.3%	52.5%	18.6%	12.6%
Glendale	23.2%	54.3%	15.0%	7.5%
Grainwood	14.3%	47.8%	24.8%	13.0%
Jeffers Pond	26.5%	52.9%	12.1%	8.5%
Redtail Ridge	24.3%	49.7%	11.7%	14.3%
WestWood	38.0%	42.2%	13.0%	6.8%
Hidden Oaks	29.1%	46.4%	14.4%	10.1%
Twin Oaks	23.3%	46.4%	19.0%	11.4%
Prior Lake High School	29.4%	43.6%	18.0%	9.1%
Bridges ALC	0%	12.5%	37.5%	50.0%

2015 Individual School Math Scores – All Grades

- Numbers indicate the percentage of students in each category. Students in the Exceeds or Meets category are considered to be proficient on the MCA's.

School	Exceeds	Meets	Partially Meets	Does Not Meet
Five Hawks	33.6%	44.9%	15.6%	6.0%
Glendale	44.4%	39.9%	10.9%	4.8%
Grainwood	32.9%	40.4%	16.8%	9.9%
Jeffers Pond	41.8%	44.0%	9.3%	4.9%
Redtail Ridge	39.9%	45.0%	11.4%	3.7%
WestWood	57.5%	28.6%	9.7%	4.2%
Hidden Oaks	45.4%	37.1%	11.4%	6.0%
Twin Oaks	36.2%	38.3%	18.8%	6.7%
Prior Lake	34.9%	37.3%	15.8%	12.0%
High School				
Bridges ALC	4.2%	25.0%	16.7%	54.2%

Science Overview

- The scores listed below indicate the percentage of students' proficient or achieving proficiency on the MCA-III Science Assessment, which assesses the 2009 Minnesota Academic Science Standards.
- The MCA-III science test was administered to students online.
- Fifth grade students decreased in proficiency from 81.6% in 2014 to 69.4% in 2015, a decrease of 12.2%.
- Eighth grade students increased in proficiency from 67% in 2014 to 71% in 2015, an increase of 4%. Over the past four years, eighth graders have increased scores by 17%.
- Students are outperforming state peers by more than 10.3% at all grade levels.

MCA-III 2015 Science Scores

Grade Level	2014 District Percentage of Students Proficient	2015 District Percentage of Students Proficient	Difference between 2014 & 2015	2015 State Percentage of Students Proficient	Difference between District and State
5th Grade	81.6%	69.4%	-12.2%	59.1%	10.3%
8th Grade	67.0%	71.0%	4.0%	45.3%	25.7%
10th Grade	69.8%	70.3%	0.5%	54.6%	15.7%

District History of MCA Science Scores

Grade Level	2011 District Percentage of Students Proficient MCA II	2012 District Percentage of Students Proficient MCA III	2013 District Percentage of Students Proficient MCA III	2014 District Percentage of Students Proficient MCA III	2015 District Percentage of Students Proficient MCA III
5th Grade	62.9%	81.1%	78.0%	81.6%	69.4%
8th Grade	54.5%	56.0%	62.9%	67.0%	71.0%
10 <sup>th</sup> Grade	75.0%	66.8%	63.2%	69.8%	70.3%

**2015 Individual School Science Scores – All Grades**

- Numbers indicate the percentage of students in each category. Students in the Exceeds or Meets category are considered to be proficient on the MCA's.

School	Exceeds	Meets	Partially Meets	Does Not Meet
Five Hawks	8.6%	55.2%	23.3%	12.9%
Glendale	33.3%	41.7%	17.9%	7.1%
Grainwood	14.1%	48.4%	18.8%	18.8%
Jeffers Pond	25.3%	48.2%	15.7%	10.8%
Redtail Ridge	19.2%	44.4%	30.3%	6.1%
WestWood	35.0%	43.0%	12.0%	10.0%
Hidden Oaks	27.6%	45.2%	18.0%	9.2%
Twin Oaks	16.4%	52.7%	20.5%	10.3%
Prior Lake High School	26.3%	45.5%	19.0%	9.2%
Bridges ALC	0%	13.3%	26.7%	60.0%

**Next Steps:**

- The District will incorporate these results in the educational planning for students. Curriculum committees will use this information to identify gaps or redundancies in curriculum content. Principals and teaching staff will use individual results to identify student strengths, areas of development, and plan educational lessons centered on student needs.
- With the support of Q-Comp, Learning Teams will review current student data to identify student achievement goals for this year.
- When the results become available, PLSAS will compare MCA results with those of neighboring school districts. These results will be shared with the school board.
- MMR results are to be released to the public on September 1st.
- District administration will utilize our TIES Data Warehouse to compare and contrast historical data to draw and determine which subgroups demonstrate need so a plan to increase student achievement can be determined.
- A presentation regarding these results will be given to the school board in September.

**Prior Lake-Savage Area Schools Assessment Plan**

The following tests are administered to students in the Prior Lake-Savage Area Schools annually. State mandated tests in reading, math, and science for program accountability.

- *Minnesota Comprehensive Assessments (MCA-III)*  
*MCA III Science – Grades 5, 8 and 10*  
*MCA III Reading – Grades 3 -8, 10*  
*MCA III Math – Grades 3-8, 11*

State mandated tests for graduation for students who are currently 11<sup>th</sup> graders during the 2014-15 school year. This includes the ACT test, which is newly required of 11<sup>th</sup> grade students in the 2014-2015 school year.

- *MCA-III/GRAD – Grade 9 (Composition), Grade 10 (Reading), Grade 11 (Math) or*
- *American College Test (ACT) – Grade 11*

State mandated Alternate Assessment for MCA-III in special education.

- *MTAS – Grades 3-11*

State mandated for English Language Learner/Limited English Proficient students to test English proficiency.

- *ACCESS for ELL – Grades K-12*
- *Alternate ACCESS for ELL – Grades 1-12*

This assessment measures current academic development explores career/training options and helps high school students plan for their remaining high school years and for post-graduation.

- *PLAN – Grade 10*

This assessment provides middle school students with information related to high school planning and career explorations.

- *EXPLORE –Grade 8*

This computerized assessment measures student achievement in the areas of math, and reading. Individualized student growth is measured over time and assists teachers in forming classroom instruction.

- *NWEA Measures of Academic Progress (MAP)-Grades 2-8 and some programs in the high school.*

This assessment is used in the elementary and secondary levels as student entrance criteria into specific programs. It measures cognitive abilities and determines learning styles.

- *Cognitive Abilities Test (CogAT ) – Grade 2 and some secondary programs*

Students who enroll in Advanced Placement classes at the high school are able to take AP exams, which may give students college credit if the score is a “3” or higher. College credit is dependent on the college or university the student chooses to attend.

- *Advanced Placement Test – Grades 11 & 12*

AIMSweb is a data management and reporting system that provides the Benchmark and Progress Monitoring Assessments that support the district’s Response to Intervention (RTI) Framework.

- *Nonsense Word Fluency Measure – Grades K-1*
- *Letter Naming Sound Fluency Measure – Grades K-1*
- *Oral Reading Fluency Measure – Grades 1 5 and some secondary programs*

### **GRAD Test**

The Graduation Required Assessments for Diploma (GRAD) test has replaced the Basic Skills Test for all students. GRAD tests are a set of high school tests in writing (9th Grade), reading (10th Grade) and math (11th Grade) that all students must pass in order to graduate from a public high school in Minnesota. Students must retake the writing and reading tests until they pass in order to graduate from high school.

The State Legislature eased the requirement for the state 11th grade math test, requiring non-passing high school students to complete remediation and retest, but not requiring students to pass. Over the next two years, the Minnesota Department of Education will phase out GRAD testing and instead utilize ACT tests to determine whether students are career and college ready.

### **Advanced Placement Tests**

The College Board’s Advanced Placement program gives students the opportunity to experience college level rigor and the potential to earn college credit during their high school years. Since the rigor of high school courses is the best predictor of college success, the AP program at Prior Lake High School is an important component of the curriculum at the high school. Advanced Placement (AP) courses are offered in approximately a dozen subjects at Prior Lake High School. Prior Lake students who score a three or higher on a five-point scale may earn college credit. The number of students taking AP courses has grown. Improvement in the number of students passing the test has also occurred.

**ACT (American College Testing) Assessment:**

The ACT test assesses high school students’ general educational development and their ability to complete college-level work. The average composite scores show Prior Lake seniors consistently performing better than other students in the state as well as the nation. The 2014-2015 school year is the first year ACT tests were required by the Minnesota Department of Education.

**2011-2015 Average ACT Exam Scores by Subject Area:**

**Average ACT Exam Scores by Subject Area:**

Grad Year	English		Math		Reading		Science		Composite	
	PLSAS	state	PLSAS	state	PLSAS	state	PLSAS	state	PLSAS	state
2011	23.2	22.3	24.8	23.0	23.5	22.9	23.7	22.8	24	22.9
2012	22.7	22.1	24.5	23.0	23.4	22.9	23.6	22.7	23.7	22.8
2013	22.9	22.2	24.6	23.1	23.7	23.1	23.6	22.9	23.8	23.0
2014	23.1	22.1	24.9	23.0	24.2	23.1	24.0	22.9	24.2	22.9
2015	21.4	19.1	23.6	20.9	22.5	20.6	22.8	20.8	22.7	20.5

\*Note that in the spring of 2015 for the first time, all juniors were required by the State to take the ACT.

**Measures of Academic Progress – MAP Testing:**

Prior Lake-Savage Area Schools students participated in the fifth year of MAP testing in grades two through eight in both reading and math. The MAP test is an assessment tool that was created by the Northwest Evaluation Association (NWEA). The school district requires testing in the fall and spring for grades 2- 5. Individual elementary buildings will have the option to test in the winter for all or select students. The school district requires testing in the fall for grades 6-8 with individual secondary buildings having the option to test in the winter and/or spring for all or select students.

The MAP test is designed to determine a student’s individual level performance. The test is unique in that it is computer adaptive and designed to provide results that show individual student growth in a subject area. Questions are generated based on the previous question’s response and will adapt in complexity to the student’s level to determine what level he/she is at. Additionally, the MAP test is aligned to the Minnesota Academic Standards.

For teachers and parents, individual student reports are generated for each student. This enables parents and teachers to monitor the academic growth of each student and provide interventions and challenges as needed. The ultimate goal is student growth and improvement of student learning regardless of level of performance.

Additionally, this assessment data will be incorporated into the educational planning completed by the school district. Prior Lake-Savage Area Schools will continue to strive for academic excellence for all students.

## 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 2000, 83% of the District's households were in these two cities. By 2005, 86% of district households were in Prior Lake and Savage. 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, with 125-130 additional home starts in each city for 2014-15. 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.

Learners in the District attend ten educational sites. 2014-15 was the first year for state-wide all-day kindergarten. WestWood Elementary is the home of SAGE Academy, our gifted program. Edgewood houses the district's Spanish Immersion Program, La Ola Del Lago. 2014-15 was the first year for La ola del lago with 4 kindergarten classes. 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 100 students attending each year.

The District employs over 1,200 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 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, along with many other opportunities and programs.

Students have the opportunity to enjoy home-made breakfast and lunch made in-house in each of our buildings through the district's Child Nutrition Service. In 2014-15, the school board approved to move away from the Federal School Lunch Program at the Prior Lake High School but remains on the Federal School Lunch Program for all other schools in the district.

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.

The District has a robust Early Learner Program, including an environmentally focused Pre-School program for 3 and 4 year olds. We also offer ECFE, Pre-School Screening, School Readiness and before and after school care.

The school district has strong community support. Parent and community volunteers help in all District sites and serve on a number of advisory committees. Voters have supported referenda to build schools to accommodate the growing population. Our facilities support the schools' quality educational programs and are used extensively by the community.



District expenditures per pupil are consistently among the lowest in Scott County. As result, the District spends \$1,800 less per student than the state average and has one of the lowest administrative costs per student in the metro area.

As the population of Prior Lake and Savage has increased so has student enrollment. The District ended the 2014-15 school year with 7,590 students, a 2.2% growth over the prior year. The District's progressive reputation is bringing more open enrollment students into the district. A total 911 students from outside of district boundaries attended Prior Lake-Savage Area Schools in 2014-15 with the majority of student attending from the Burnsville and Shakopee School Districts. The district had 37 students attend PSEO full-time and 60 students attend PSEO part-time in 2014-15.

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. In 2013, the district upgraded the HVAC systems in several elementary schools and Hidden Oaks Middle School using Alternative Facility Bonds. A secure entrance was also added to Hidden Oaks Middle Schools for safety reasons. The summer of 2013-14 will see Twin Oaks Middle School receive an upgrade in HVAC using Alternative Facility Bonds and the district will utilize capital dollars to add a secure entrance to the building. A 3-story, 33,000 square foot addition was added to PLHS completed by the start of the 2014-15 school year. The District added turf to Dan Patch Stadium and Laker Field in the summer of 2014. The District utilized lease levy dollars for the addition and turf for the fields.

#### **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 7,000 accounts have been defined in the District's chart of accounts.

#### **INDEPENDENT AUDIT**

State statues 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, 2014. 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 five 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  
Director of Business Affairs



Dr. Teri Staloch  
Superintendent of Schools

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2015**

**SCHOOL BOARD**

<b>NAME</b>	<b>TERM ON BOARD EXPIRES</b>	<b>BOARD POSITION</b>
Melissa Enger	December 31, 2016	Director
Ben Hanson	December 31, 2018	Director
Chad Rittenour	December 31, 2016	Director
Stacey Ruelle	December 31, 2018	Chairperson
Todd Sorensen	December 31, 2018	Vice-Chairperson
Dan White	December 31, 2016	Board Clerk/Treasurer
Richard Wolf	December 31, 2018	Director

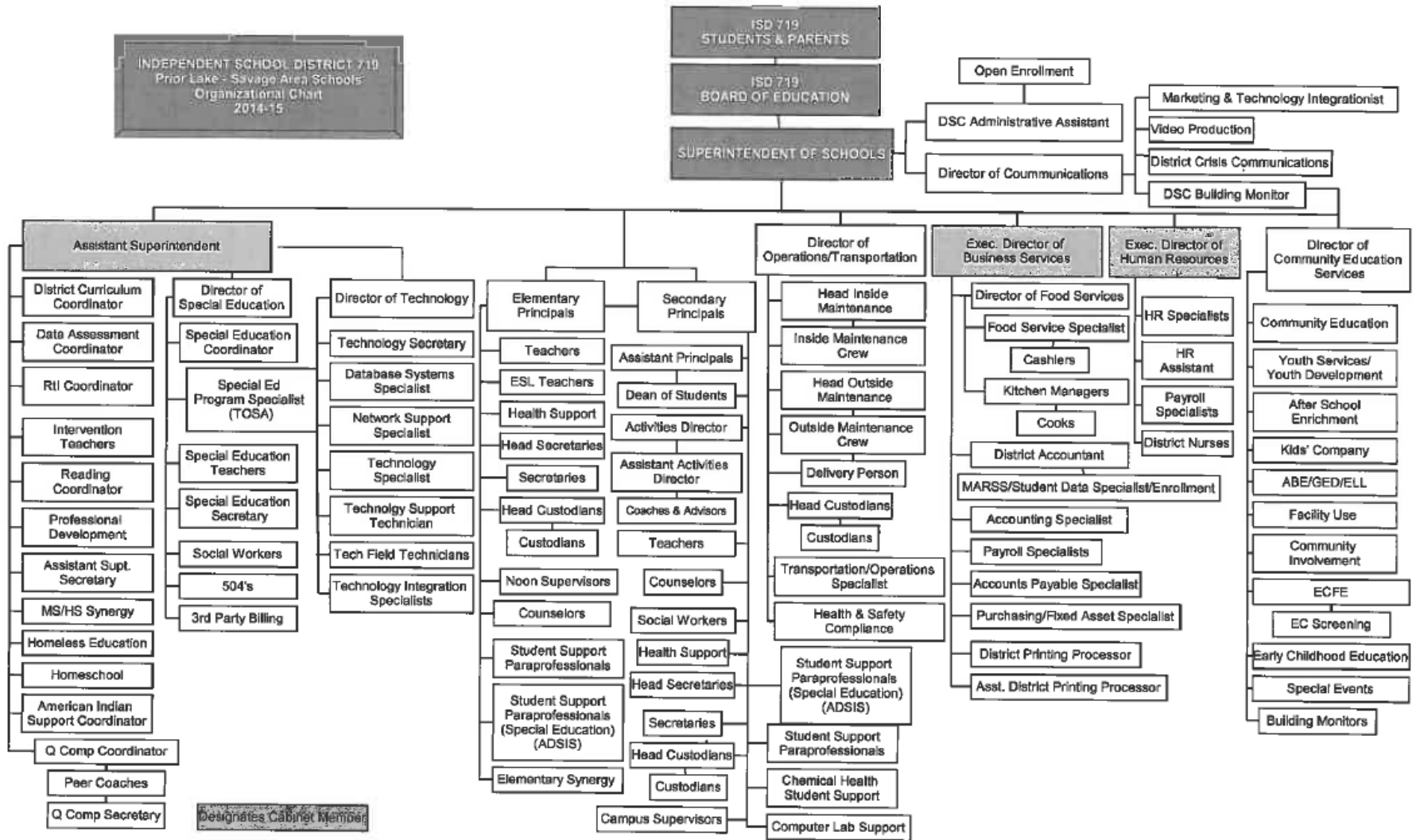
**ADMINISTRATION**

Dr. Sue Ann Gruver Superintendent

Julie Cink Director of Business Affairs

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, 2015**



PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING  
JUNE 30, 2015

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

**Prior Lake - Savage Area Schools**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2014*

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 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

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

John D. Musso, CAE, RSBA  
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, 2015, 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, 2015, and the respective changes in financial position and budgetary comparison for the General Fund, Food Service Fund, and Community Service Fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited the District's 2014 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and we expressed unmodified audit opinions on those audited financial statements in our report dated October 27, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Emphasis of a Matter***

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

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Funding Progress for Postemployment Benefit Plan, 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.

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, 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 28, 2015, 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 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 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 28, 2015

## **REQUIRED SUPPLEMENTARY INFORMATION**

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

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, 2015. 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 2014-15 fiscal year include the following:

- Total net position increased \$8,628,154. The increase is due to the reduction in long-term liabilities in 2014-15 and an increase in the internal service fund which dedicates funds to the reduction of the District's other postemployment benefit liability.
- The District has continued efforts to operate efficiently to reduce costs and keep dollars in the classroom. The district self-funded health insurance 5 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 conducted an actuarial study in 2014-15 in compliance with GASB Statements Nos. 45, 27, and 16. The District set up an internal service fund beginning in 2008-09 to start addressing the long-term 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, 2015**

**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 non-financial 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, 2015**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Position**

The District's *combined* net position was \$12,889,325 on June 30, 2015. This was a change of (74.07%) 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
	2015	2014	
Current and Other Assets	\$ 57,178,219	\$ 115,884,264	(50.66)%
Capital Assets	171,066,942	158,378,103	8.01
Total Assets	<u>228,245,161</u>	<u>274,262,367</u>	(16.78)
Deferred Outflows of Resources	<u>10,171,514</u>	-	100.00
Current Liabilities	10,476,446	15,141,538	(30.81)
Long-Term Liabilities	<u>176,468,584</u>	<u>185,250,700</u>	(4.74)
Total Liabilities	<u>186,945,030</u>	<u>200,392,238</u>	(6.71)
Deferred Inflows of Resources	<u>38,582,320</u>	<u>24,166,241</u>	59.65
Net Position:			
Net Investment in Capital Assets	39,239,879	30,340,820	29.33
Restricted	4,048,952	4,530,597	(10.63)
Unrestricted	<u>(30,399,506)</u>	<u>14,832,471</u>	(304.95)
Total Net Position	<u>\$ 12,889,325</u>	<u>\$ 49,703,888</u>	(74.07)

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

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**

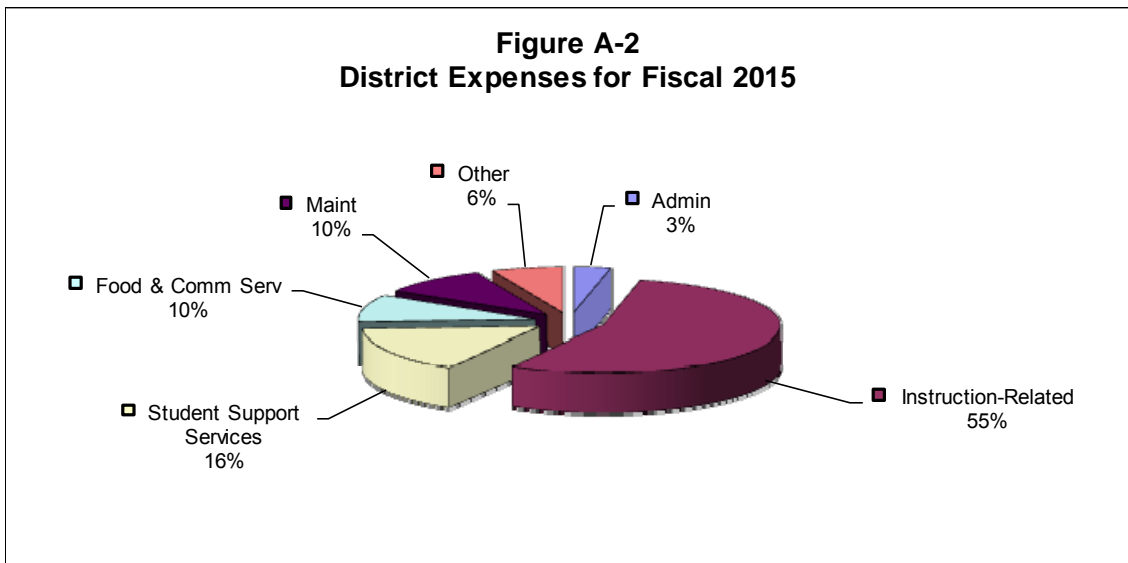
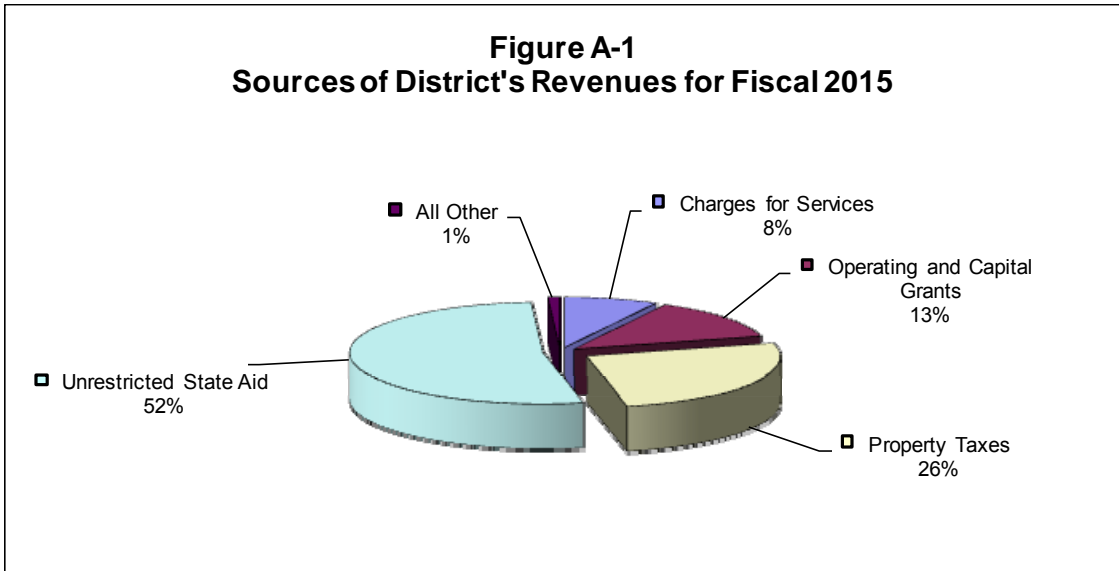
	Governmental Activities for the Fiscal Year Ended June 30,		Total % Change
	2015	2014	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 7,688,033	\$ 7,920,177	(2.93)%
Operating Grants and Contributions	11,056,879	10,075,787	9.74
Capital Grants and Contributions	1,658,729	1,658,730	-
<u>General Revenues</u>			
Property Taxes	25,280,833	20,105,313	25.74
Unrestricted State Aid	51,286,812	52,023,850	(1.42)
Earnings on Investments	203,237	162,345	25.19
Other	753,069	442,479	70.19
Total Revenues	97,927,592	92,388,681	6.00
<b>Expenses</b>			
Administration	3,006,654	2,638,630	13.95
District Support Services	3,412,459	1,282,023	166.18
Regular Instruction	34,882,433	34,807,847	0.21
Vocational Education Instruction	661,684	575,454	14.98
Special Education Instruction	13,731,316	12,770,461	7.52
Instructional Support Services	4,627,197	5,728,525	(19.23)
Pupil Support Services	5,872,964	5,451,326	7.73
Sites and Buildings	8,720,729	10,862,310	(19.72)
Fiscal and Other Fixed Cost Programs	284,226	245,674	15.69
Food Service	3,833,698	3,657,662	4.81
Community Service	4,741,489	5,184,565	(8.55)
Interest and Fiscal Charges on Long-Term Liabilities	5,524,589	6,321,276	(12.60)
Total Expenses	89,299,438	89,525,753	(0.25)
<b>Increase in Net Position</b>			
	8,628,154	2,862,928	
Beginning Net Assets, as Previously Reported	49,703,888	46,840,960	
Prior Period Adjustment	(45,442,717)	-	
Beginning Net Position	4,261,171	46,840,960	
Ending Net Position	\$ 12,889,325	\$ 49,703,888	

Total revenues were \$97,927,592 while total expenses were \$89,299,438, increasing net position by a net of \$8,628,154.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

The cost of all *governmental* activities this year was \$89,299,438.

- Some of the cost was paid by the users of the District's programs (Table A-1, Charges for Services, \$7,688,033). 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 \$25,280,833 in property taxes, \$51,286,812 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, 2015**

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 twelve 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  
Change in Net Position**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2015	2014		2015	2014	
Administration	\$ 3,006,654	\$ 2,638,630	13.95 %	\$ 3,006,654	\$ 2,638,630	13.95 %
District Support Services	3,412,459	1,282,023	166.18	3,387,694	1,249,568	171.11
Regular Instruction	34,882,433	36,183,168	(3.59)	32,599,229	32,391,058	0.64
Vocational Education Instruction	661,684	575,454	14.98	616,401	537,899	14.59
Special Education Instruction	13,731,316	12,770,461	7.52	5,610,794	5,302,271	5.82
Instructional Support Services	4,627,197	5,728,525	(19.23)	4,627,197	5,728,525	(19.23)
Pupil Support Services	5,872,964	5,451,326	7.73	5,275,700	4,505,490	17.09
Sites and Buildings	8,720,729	9,486,989	(8.08)	7,487,805	10,194,678	(26.55)
Fiscal and Other Fixed Cost Programs	284,226	245,674	15.69	284,226	245,674	15.69
Food Service	3,833,698	3,657,662	4.81	50,049	(24,312)	(305.86)
Community Service	4,741,489	5,184,565	(8.55)	425,459	780,302	(45.48)
Interest and Fiscal Charges on Long-Term Liabilities	5,524,589	6,321,276	(12.60)	5,524,589	6,321,276	(12.60)
Total	<u>\$ 89,299,438</u>	<u>\$ 89,525,753</u>	(0.25)	<u>\$ 68,895,797</u>	<u>\$ 69,871,059</u>	(1.40)

The cost of all governmental activities this year was \$89,299,438, a decrease of \$226,315 over the prior year. After applying program specific revenue, the net cost of all governmental activities this year was \$68,895,797 or a decrease of \$975,262 over 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 General Fund, Building Construction Fund, and Debt Service Fund had more expenditures than revenues while the Food Service Fund and Community Service Fund had more revenues than expenditures in 2015. At the end of the 2014-15 fiscal year, the District's governmental funds reported combined ending fund balances of \$14,853,142. This is significantly lower than 2014 mainly due to the repayment of refunded bonds held in escrow.

Revenues for the District's governmental funds were \$97,731,111, while total expenditures were \$113,778,643. After including the impact of other financing sources and uses the District's total fund balance for the governmental funds decreased by \$56,548,388 mainly due to repayment of refunding bonds held in escrow.



**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

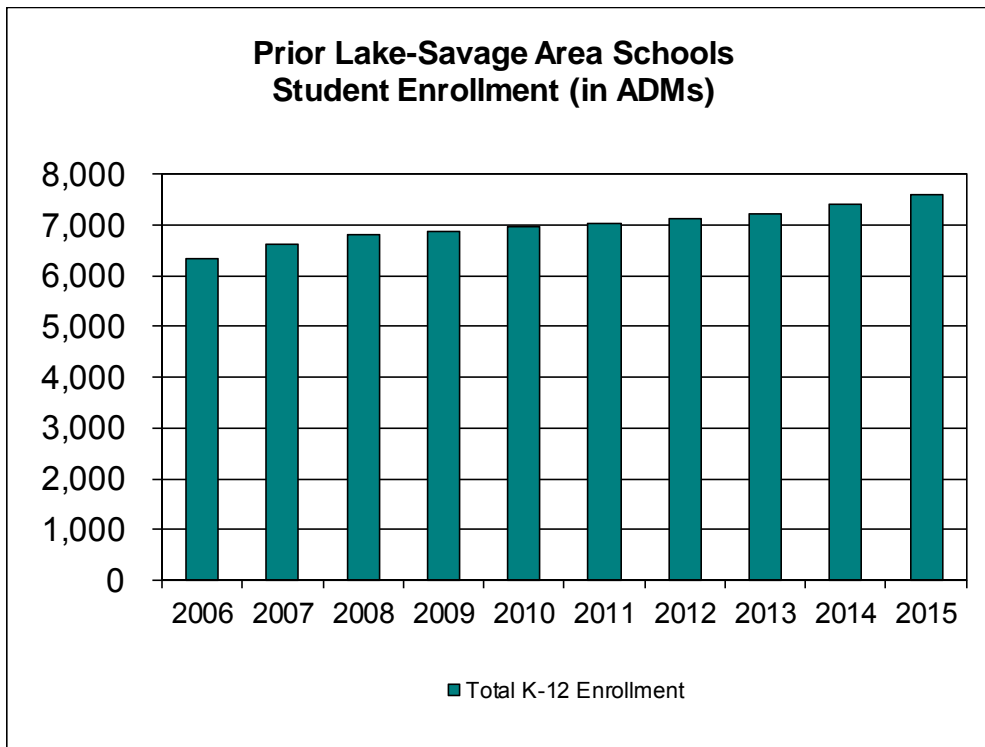
**General Fund**

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 three years the District has averaged a 2.2% increase in students. Prior to that time, the District's growth was approximately 1%. 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, 2015**

The following schedule presents a summary of General Fund Revenues.

**Table A-5  
General Fund Revenues**

	Year Ended		Change	
	June 30, 2015	June 30, 2014	Increase (Decrease)	Percent
Local Sources:				
Property Taxes	\$ 13,063,615	\$ 7,466,027	\$ 5,597,588	74.97 %
Earnings on Investments	13,855	26,149	(12,294)	(47.02)
Other	1,696,205	1,304,747	391,458	30.00
State Sources	61,166,707	60,577,804	588,903	0.97
Federal Sources	1,313,872	1,509,050	(195,178)	(12.93)
Total General Fund Revenue	<u>\$ 77,254,254</u>	<u>\$ 70,883,777</u>	<u>\$ 6,370,477</u>	8.99

General Fund revenue increased by a net of \$6,370,477 or 8.99% from the previous year.

Property Taxes increased 1.7% from 2014 to 2015, however, it appears much higher due to the repayment of the tax shift. 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 \$588,903. The increase is primarily due enrollment growth, the increase in basic revenue and the addition of the ADSIS special education dollars and the new Literacy Incentive Aid funding.

Federal Revenue is recorded in the year in which the related expenditure is made. Federal Sources decreased by \$195,178.

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, 2015**

The following schedule presents a summary of General Fund Expenditures.

**Table A-6  
General Fund Expenditures**

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	June 30, 2015	June 30, 2014		
Salaries	\$ 43,768,311	\$ 40,107,491	\$ 3,660,820	9.13 %
Employee Benefits	18,083,290	16,709,193	1,374,097	8.22
Purchased Services	8,362,953	8,000,257	362,696	4.53
Supplies and Materials	2,539,509	2,313,056	226,453	9.79
Capital Expenditures	5,184,838	3,444,409	1,740,429	50.53
Other Expenditures	1,004,483	184,742	819,741	443.72
Total Expenditures	<u>\$ 78,943,384</u>	<u>\$ 70,759,148</u>	<u>\$ 8,184,236</u>	11.57

Total General Fund expenditures increased \$8,184,236 or 11.57% from the previous year.

In fiscal 2015, 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 5 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 2 years.

Purchased Services and Supplies and Materials consist of expenditures for fees for service, postage, utilities, diesel and gasoline, property insurance, maintenance repairs, leases, travel, telephone, tuition, instructional supplies and textbooks. The district implemented a 1:1 technology plan where iPad Carts were deployed in all district buildings for student use and students in Grade 8 were allocated individual iPads. The district also completed some additional deferred maintenance items throughout the district.

**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 decrease. The total fund balance decreased \$1,669,986 resulting in a total fund balance of \$11,271,323 at June 30, 2015.

Actual revenues were \$1,008,657 (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 \$1,270,381 less than budgeted mainly due to unspent capital expenditures related to construction projects along with staff development carryovers, and site allocation carryovers.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

**Food Service Fund**

The Food Service Fund revenue for 2014-15 totaled \$3,784,310 and expenditures were \$3,779,723. The June 30, 2015 fund balance is \$583,916, an increase of \$4,587 from fiscal year 2014. The District anticipated a slight decrease in the fund balance. Due to cost controls and an increase in participation, the increase in fund balance was \$49,987 more than budgeted.

**Community Service Fund**

The Community Service Fund revenue for 2014-15 totaled \$5,002,729 and expenditures were \$4,774,965. The June 30, 2015 total fund balance is \$1,417,406, an increase of \$227,764 from fiscal year 2014. The goal is to maintain the total fund balance below 25%.

**Internal Service Fund**

The Internal Service Fund operating revenue for 2014-15 totaled \$11,282,030 and operating expenses were \$10,414,222. The June 30, 2015 net position was \$8,859,247, an increase of \$986,495 from fiscal year 2014. The increase in net position is due to positive health and dental utilization. The District goal is to have a fund balance of 40-50% inclusive of the 2-month claim lag at the end of the fiscal year.

**Capital Expenditure-Building Construction Fund**

The Capital Expenditure-Building Construction Fund revenues and other financing sources were \$11,918, expenditures and other financing uses were \$10,828,429. The June 30, 2015 fund balance is \$142,095 a decrease of \$10,816,511 from fiscal year 2014. The decrease is due to the spend-down of funds for construction and Alternative Facility Projects.

**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, or for initial or refunding bonds. The Debt Service Fund revenue for 2014-15 totaled \$11,677,900 and expenditures were \$15,452,142. Other Financing sources and uses include the Payment to Refunded Bond Escrow Agent in the amount of \$40,520,000. The June 30, 2015 fund balance is a decrease of \$44,294,242 from fiscal year 2014. This is mainly due to the Payment to Refunded Bond Escrow Agent in 2014-15. The District is required to levy 1.05% of the principal and interest payments due each year.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of 2015, the District had invested over \$171 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 Construction in Progress. (More detailed information about capital assets can be found in Note 3 to the financial statements.)

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

	2015	2014	Percentage Change
Land	\$ 12,483,938	\$ 12,503,082	(0.15)%
Construction in Progress	-	12,399,193	(100.00)
Land Improvements	4,203,305	2,439,664	72.29
Buildings and Improvements	196,047,022	171,853,387	14.08
Equipment	14,037,996	11,594,031	21.08
Less: Accumulated Depreciation	(55,705,319)	(52,411,254)	6.29
<b>Total</b>	<b>\$ 171,066,942</b>	<b>\$ 158,378,103</b>	<b>8.01</b>

**Long-Term Liabilities**

At year-end, the District had \$112,710,000 in general obligation bonds payable outstanding – reflecting a net 30.35% decrease from last year – as shown in Note 4 to the financial statements. The District's 2005B bonds were refunded with proceeds from the District's GO School Building Refunding Bonds, Series 2013C, that had been held in escrow for that purpose.

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

	2015	2014	Percentage Change
General Obligation Bonds	\$ 112,710,000	\$ 161,835,000	(30.35)%
Net Bond Premium and Discount	6,952,618	8,808,325	(21.07)
Obligations Under Capital Leases	11,285,652	11,673,719	(0.03)
Other Postemployment Benefits Payable	2,360,794	1,963,308	20.25
Compensated Absences Payable	943,369	970,348	(2.78)
Pension Benefits Payable	42,216,151	48,704,038	(13.32)
<b>Total</b>	<b>\$ 176,468,584</b>	<b>\$ 233,954,738</b>	<b>(24.57)</b>
Long-Term Liabilities:			
Due Within One Year	\$ 7,694,341	\$ 26,855,300	
Due in More than One Year	168,774,243	207,099,438	
	<b>\$ 176,468,584</b>	<b>\$ 233,954,738</b>	

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

**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 2014, the Legislature approved several changes to the funding formula. The Legislature increased the basic formula an additional 1.5% while also adjusting the weighting units for all students and funding all day every day Kindergarten. Students in grades K-6 are now weighted at 1.0 and secondary students are weighted at 1.2. In order for this to occur without harming schools for the reduction in weighting, the basic formula increased to \$5,806. This includes the 1.5% increase to the basic formula.

For 2015, the Legislature approved an increase to the funding formula of 2% and an additional 2% for 2016. The funding formula has been below the current annual rate of inflation for the last twenty 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 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 2013 Legislature approved funding all-day, every-day Kindergarten for the 2014-15 school year. The District implemented a Spanish immersion program "La Ola Del Lago" for Kindergarten students in 2014 and will expand the program to 1<sup>st</sup> Grade for 2015. This program will grow as the students progress through the elementary grade levels.

PLSAS School Board approved utilizing lease levy dollars to build a 33,000 square foot addition (15 classrooms) onto PLHS. Turf was added to Dan Patch Stadium at PLHS and Laker Field at Twin Oaks Middle School. All of these projects were completed by the start of school in September 2014.

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 8<sup>th</sup> grade. For 2015-16, the district increased the implementation timeline to place 2,500 iPads in the hands of all students Grades 8-12.

For 2015, the District engaged the services of the District Management Council to review the at-risk programs at PLSAS. DMC partners with public school district leaders to improve student outcomes, operational efficiency, and resource allocation. DMC helps set the course for successfully navigating the growing number of challenges and competing interests that come from every direction: dwindling budgets, growing regulation, rising accountability, and an increasingly diverse student population.

PLSAS entered into an agreement to partner with neighboring Lakeville School District to develop a program modeling the Center for Advanced Professional Studies. (CAPS) is a nationally recognized, innovative high school program. 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.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2015**

The District continues to grow in enrollment as the economy improves. The District enrollment, along with the change to all day Kindergarten has put added stress on the district buildings for classroom space needs. In 2014-15 the enrollment increased 188 students or 2.5%. Preliminary enrollment numbers for 2015-16 indicate an increased enrollment over 250 students or 3.3%. Governor Dayton's priority for the 2016 legislative session is to implement all-day 4-year old preschool. The District does not have available space to deliver this program.

Growth at PLHS is creating crowding in the core spaces (cafeteria, gyms, hallways, media center, etc.). These areas and additional classrooms will be needed at PLHS in the immediate future. Bridges ALC has seen significant growth as well, with over 100 students attending at various times in 2014-15. The space available in the current location is not sufficient to accommodate this program. Both Twin Oaks Middle School and Hidden Oaks Middle School need classroom spaces at each building due to the enrollment growth.

The District's largest kindergarten class was 541 in 2014-15, however that number was surpassed as 574 students began Kindergarten in 2015-16. The District closed Open Enrollment for 2014-15 for Glendale and Redtail Ridge Elementary Schools due to space concerns at these schools. The District also closed Open Enrollment for kindergarten at Five Hawks Elementary in 2014-15, again due to space concerns. The District allowed 40 Open Enrollment students at PLHS and closed Open Enrollment after those slots were filled. For the start of the 2015-16 school year, Glendale and Redtail Ridge Elementary Schools were once again closed to Open Enrollment due to space concerns.

Grade level growth averages 160 students from Kindergarten through 12<sup>th</sup> grade. Utilizing this trend, the 2015-16 Kindergarten class would graduate with 734 students.

Moody's Investors Service conducted a review of the District's financial position. As a result of this review, the District's maintains its bond rating of A1, with an underlying rating of Aa2. Moody's cited the improved 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 the bond rating.

On June 30, 2015, Dr. Sue Ann Gruver retired after serving the District for 7 years. After an extensive search and interview process, Dr. Teri Staloch was hired in June 2015 to replace Dr. Gruver.

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, MN 55372 or visit the District's website at [www.priorlake-savage.k12.mn.us](http://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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	Governmental Activities	
	2015	2014
<b>ASSETS</b>		
Cash and Investments	\$ 36,688,586	\$ 46,091,175
Cash and Investments Held by Trustee	-	49,515,532
Receivables:		
Property Taxes	12,895,847	12,740,375
Other Governments	6,842,363	6,834,769
Other	217,750	158,404
Prepaid Items	173,611	257,257
Inventories	240,533	219,473
Net Pension Asset	119,529	67,279
Capital Assets:		
Land and Construction in Progress	12,483,938	24,902,275
Other Capital Assets, Net of Depreciation	158,583,004	133,475,828
Total Assets	228,245,161	274,262,367
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Deferred Outflows - See Note 6	10,171,514	-
<b>LIABILITIES</b>		
Salaries and Compensated Absences Payable	3,301,387	3,066,249
Accounts and Contracts Payable	3,096,483	7,098,809
Accrued Interest	2,084,874	3,029,799
Due to Other Governmental Units	94,155	138,329
Unearned Revenue:		
Local Sources	1,899,547	1,808,352
Long-Term Liabilities:		
Portion Due Within One Year	7,694,341	8,778,581
Portion Due in More Than One Year	168,774,243	176,472,119
Total Liabilities	186,945,030	200,392,238
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes Levied for Subsequent Year	24,712,368	24,166,241
Deferred Gain on Refunding	1,020,888	-
Pension Deferred Inflows - See Note 6	12,849,064	-
Total Deferred Inflows	38,582,320	24,166,241
<b>NET POSITION</b>		
Net Investment in Capital Assets	39,239,879	30,340,820
Restricted for:		
General Fund Operating Capital Purposes	1,780,186	2,932,782
General Fund State-Mandated Restrictions	261,767	(177,310)
Food Service	583,916	579,329
Community Service	1,423,083	1,195,796
Unrestricted	(30,399,506)	14,832,471
Total Net Position	\$ 12,889,325	\$ 49,703,888

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

Functions	2015				2014	
	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense)	Net (Expense)
		Charges for Services	Operating Grants and Contributions		Revenue and	Revenue and
					Changes in	Changes in
Total	Net Position	Total	Net Position			
				Governmental	Governmental	
				Activities	Activities	
<b>Governmental Activities</b>						
Administration	\$ 3,006,654	\$ -	\$ -	\$ -	\$ (3,006,654)	\$ (2,638,630)
District Support Services	3,412,459	-	16,690	8,075	(3,387,694)	(1,249,568)
Regular Instruction	34,882,433	550,982	1,274,832	457,390	(32,599,229)	(32,391,058)
Vocational Education Instruction	661,684	-	45,283	-	(616,401)	(537,899)
Special Education Instruction	13,731,316	259,795	7,860,727	-	(5,610,794)	(5,302,271)
Instructional Support Services	4,627,197	-	-	-	(4,627,197)	(5,728,525)
Pupil Support Services	5,872,964	166,854	430,410	-	(5,275,700)	(4,505,490)
Sites and Buildings	8,720,729	-	39,660	1,193,264	(7,487,805)	(10,194,678)
Fiscal and Other Fixed Cost Programs	284,226	-	-	-	(284,226)	(245,674)
Food Service	3,833,698	2,922,681	860,968	-	(50,049)	24,312
Community Service	4,741,489	3,787,721	528,309	-	(425,459)	(780,302)
Interest and Fiscal Charges on Long-Term Liabilities	5,524,589	-	-	-	(5,524,589)	(6,321,276)
<b>Total School District</b>	<b>\$ 89,299,438</b>	<b>\$ 7,688,033</b>	<b>\$ 11,056,879</b>	<b>\$ 1,658,729</b>	<b>(68,895,797)</b>	<b>(69,871,059)</b>
<b>General Revenues</b>						
Property Taxes Levied for:						
General Purposes					13,056,857	7,482,156
Community Service					625,969	299,563
Debt Service					11,598,007	12,323,594
State and Federal Aid Not Restricted to Specific Purposes					51,286,812	52,023,850
Earnings on Investments					203,237	162,345
Miscellaneous					753,069	442,479
<b>Total General Revenues</b>					<b>77,523,951</b>	<b>72,733,987</b>
Change in Net Position					8,628,154	2,862,928
Net Assets - Beginning, as Previously Stated					49,703,888	46,840,960
Prior Period Adjustment - Implementation of GASB Standard See Note 12					(45,442,717)	-
Net Position - Beginning, as Restated					4,261,171	46,840,960
Net Position - Ending					<b>\$ 12,889,325</b>	<b>\$ 49,703,888</b>

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects - Building Construction	Debt Service	2015	2014
<b>ASSETS</b>							
Cash and Investments	\$ 14,622,777	\$ 617,197	\$ 1,980,156	\$ 199,002	\$ 7,458,966	\$ 24,878,098	\$ 35,715,320
Cash and Investments Held by Trustee	-	-	-	-	-	-	49,515,532
Receivables:							
Current Property Taxes	6,517,775	-	290,642	-	5,845,069	12,653,486	12,475,652
Delinquent Property Taxes	120,058	-	5,677	-	116,626	242,361	264,723
Due from Other Minnesota School Districts	15,375	-	6,240	-	-	21,615	26,962
Due from Minnesota Department of Education	6,650,094	21,907	63,091	-	524	6,735,616	6,657,954
Due from Federal through Minnesota Department of Education	60,121	25,011	-	-	-	85,132	149,741
Due from Other Governmental Units	-	-	-	-	-	-	112
Other Receivables	85,571	2,253	118,226	-	-	206,050	145,502
Prepaid Items	145,698	8,352	19,561	-	-	173,611	257,257
Inventory	193,379	47,154	-	-	-	240,534	219,473
<b>Total Assets</b>	<b>\$ 28,410,848</b>	<b>\$ 721,874</b>	<b>\$ 2,483,593</b>	<b>\$ 199,002</b>	<b>\$ 13,421,185</b>	<b>\$ 45,236,502</b>	<b>\$ 105,428,228</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>							
Liabilities:							
Salaries and Compensated Absences Payable	\$ 3,068,790	\$ -	\$ 2,132	\$ -	\$ -	\$ 3,070,922	\$ 2,870,270
Payroll Deductions and Employer Contributions Payable	228,776	979	710	-	-	230,465	195,979
Accounts and Contracts Payable	1,127,703	30,813	159,860	56,907	-	1,375,283	5,736,937
Due to Other Governmental Units	94,155	-	-	-	-	94,155	138,329
Unearned Revenue:							
Local Sources	243,868	106,166	307,772	-	-	657,806	654,219
<b>Total Liabilities</b>	<b>4,763,292</b>	<b>137,958</b>	<b>470,474</b>	<b>56,907</b>	<b>-</b>	<b>5,428,631</b>	<b>9,595,734</b>
Deferred Inflows of Resources:							
Property Taxes Levied for Subsequent Year	12,256,175	-	590,036	-	11,866,157	24,712,368	24,166,241
Unavailable Revenue - Delinquent Taxes	120,058	-	5,677	-	116,626	242,361	264,723
<b>Total Deferred Inflows of Resources</b>	<b>12,376,233</b>	<b>-</b>	<b>595,713</b>	<b>-</b>	<b>11,982,783</b>	<b>24,954,729</b>	<b>24,430,964</b>
Fund Balance:							
Nonspendable:							
Prepaid Items	145,698	8,352	19,561	-	-	173,611	257,257
Inventory	193,379	47,155	-	-	-	240,534	219,473
Restricted for:							
Staff Development	102,109	-	-	-	-	102,109	172,542
Deferred Maintenance	34,355	-	-	142,095	-	176,450	5,606,524
Health and Safety	-	-	-	-	-	-	(746,718)
Operating Capital	1,780,186	-	-	-	-	1,780,186	2,932,782
Safe Schools Crime Levy	125,303	-	-	-	-	125,303	146,779
Community Education Programs	-	-	1,153,519	-	-	1,153,519	1,073,797
Early Childhood and Family Educations Programs	-	-	187,340	-	-	187,340	79,266
School Readiness	-	-	46,968	-	-	46,968	16,815
Adult Basic Education	-	-	1,405	-	-	1,405	1,405
Bond Refundings	-	-	-	-	-	-	43,321,155
Building Construction	-	-	-	-	-	-	5,602,169
Other Purposes	-	528,409	8,613	-	1,438,402	1,975,424	2,959,578
Assigned for:							
Special Education Carry-over	333,010	-	-	-	-	333,010	433,010
Redtail Ridge	-	-	-	-	-	-	27,732
Cash Flow	1,722,500	-	-	-	-	1,722,500	1,722,500
Class-size Reduction	500,000	-	-	-	-	500,000	500,000
Technology	-	-	-	-	-	-	500,000
Innovation Programs	500,000	-	-	-	-	500,000	500,000
Q-Comp	266,228	-	-	-	-	266,228	182,083
Site Carryover	466,802	-	-	-	-	466,802	416,669
Unassigned	5,101,753	-	-	-	-	5,101,753	5,476,712
<b>Total Fund Balance</b>	<b>11,271,323</b>	<b>583,916</b>	<b>1,417,406</b>	<b>142,095</b>	<b>1,438,402</b>	<b>14,853,142</b>	<b>71,401,530</b>
<b>Total Liabilities, Deferred In Balance</b>	<b>\$ 28,410,848</b>	<b>\$ 721,874</b>	<b>\$ 2,483,593</b>	<b>\$ 199,002</b>	<b>\$ 13,421,185</b>	<b>\$ 45,236,502</b>	<b>\$ 105,428,228</b>

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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	2015	2014
<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 14,853,142</b>	<b>\$ 71,401,530</b>
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	12,503,082
Construction in Progress	-	12,399,193
Land Improvements, Net of Accumulated Depreciation	3,042,525	1,327,050
Buildings and Improvements, Net of Accumulated Depreciation	148,097,029	127,881,370
Equipment, Net of Accumulated Depreciation	7,443,450	4,267,408
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 a deferred inflow of resources in the governmental funds.		
	242,361	264,723
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		
	(2,084,874)	(3,029,799)
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:		
	8,859,247	7,872,752
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	(42,216,151)	-
Deferred Inflows of Resources - Pensions	(12,849,064)	-
Deferred Outflows of Resources - Pensions	10,171,514	-
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	(112,710,000)	(161,835,000)
Unamortized Premiums	(6,952,618)	(8,808,325)
Deferred Loss on Refunding	(1,020,888)	-
Obligations Under Capital Leases	(11,285,652)	(11,673,719)
Other Postemployment Benefits Payable	(2,360,794)	(1,963,308)
Compensated Absences Payable	(943,369)	(970,348)
Other Pension Benefits	119,529	67,279
<b>Total Net Position of Governmental Activities</b>	<b>\$ 12,889,325</b>	<b>\$ 49,703,888</b>

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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects - Building Construction	Debt Service	2015	2014
<b>REVENUES</b>							
Local Sources:							
Property Taxes	\$ 13,063,615	\$ -	\$ 626,446	\$ -	\$ 11,613,134	\$ 25,303,195	\$ 20,074,801
Earnings on Investments	13,855	661	1,511	11,918	56,605	84,550	53,275
Other	1,696,205	2,922,681	3,819,299	-	2,917	8,441,102	8,362,656
State Sources	61,166,707	159,431	555,473	-	5,244	61,886,855	61,607,587
Federal Sources	1,313,872	701,537	-	-	-	2,015,409	2,150,780
Total Revenues	<u>77,254,254</u>	<u>3,784,310</u>	<u>5,002,729</u>	<u>11,918</u>	<u>11,677,900</u>	<u>97,731,111</u>	<u>92,249,099</u>
<b>EXPENDITURES</b>							
Current:							
Administration	3,055,111	-	-	-	-	3,055,111	2,833,719
District Support Services	2,858,468	-	-	-	-	2,858,468	1,295,669
Regular Instruction	36,427,518	-	-	-	-	36,427,518	32,789,161
Vocational Education Instruction	665,893	-	-	-	-	665,893	575,454
Special Education Instruction	13,912,768	-	-	-	-	13,912,768	13,287,188
Instructional Support Services	4,528,930	-	-	-	-	4,528,930	5,297,931
Pupil Support Services	5,872,939	-	-	-	-	5,872,939	5,539,546
Sites and Buildings	5,307,435	-	-	-	-	5,307,435	5,403,969
Fiscal and Other Fixed Cost Programs	284,226	-	-	-	-	284,226	245,674
Food Service	-	3,750,933	-	-	-	3,750,933	3,507,316
Community Service	-	-	4,743,472	-	-	4,743,472	5,187,145
Capital Outlay	5,184,838	28,790	31,493	10,828,429	-	16,073,550	22,474,291
Debt Service:							
Principal	388,067	-	-	-	8,605,000	8,993,067	8,224,303
Interest and Fiscal Charges	457,191	-	-	-	6,847,142	7,304,333	5,600,179
Total Expenditures	<u>78,943,384</u>	<u>3,779,723</u>	<u>4,774,965</u>	<u>10,828,429</u>	<u>15,452,142</u>	<u>113,778,643</u>	<u>112,261,545</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,689,130)	4,587	227,764	(10,816,511)	(3,774,242)	(16,047,532)	(20,012,446)
<b>OTHER FINANCING SOURCES AND USES</b>							
Sale of Real Property Proceeds	19144	-	-	-	-	19144	-
Face Amount of Bonds Issued	-	-	-	-	-	-	42,400,000
Capital Lease Proceeds	-	-	-	-	-	-	11,170,000
Bond Premium	-	-	-	-	-	-	4,598,069
Payment to Refunded Bond Escrow Agent	-	-	-	-	(40,520,000)	(40,520,000)	-
Transfers In	-	-	-	-	-	-	75,047
Transfers Out	-	-	-	-	-	-	(75,047)
Total Other Financing Sources (Uses)	<u>19,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,520,000)</u>	<u>(40,500,856)</u>	<u>58,168,069</u>
Net Change in Fund Balances	(1,669,986)	4,587	227,764	(10,816,511)	(44,294,242)	(56,548,388)	38,155,623
Fund Balance - Beginning	12,941,309	579,329	1,189,642	10,958,606	45,732,644	71,401,530	33,245,907
Fund Balance - Ending	<u>\$ 11,271,323</u>	<u>\$ 583,916</u>	<u>\$ 1,417,406</u>	<u>\$ 142,095</u>	<u>\$ 1,438,402</u>	<u>\$ 14,853,142</u>	<u>\$ 71,401,530</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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015	2014
<b>Net Change in Fund Balance - Total Governmental Funds</b>	<b>\$ (56,548,388)</b>	<b>\$ 38,155,623</b>
 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. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Outlays	16,002,048	17,096,467
Gain (Loss) on Disposal of Capital Assets	-	(13,358)
Proceeds from sales of capital assets	(19,144)	-
Depreciation Expense	(3,294,065)	(4,470,073)
 Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.		
Other financing source - capital lease	-	(11,170,000)
Principal Payments - Capital Leases	388,067	29,303
 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 discounts and 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. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:		
Face Amount of Bonds Issued	-	(42,400,000)
Payment to Refunded Bond Escrow Agent	40,520,000	-
Bond Premium	-	(4,598,069)
Repayment of Bond Principal	8,605,000	8,195,000
Change in Accrued Interest Expense - General Obligation Bonds	944,925	(969,426)
Write off of Bond Issuance Costs	-	(430,770)
Amortization of Deferred Inflow - Gain on Refunding	40,192	-
Amortization of Bond Premium	794,627	679,099
 In the statement of activities, other postemployment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount that other postemployment benefits payable changed.		
	(397,486)	(212,722)
 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 considered a deferred inflow of resources in the governmental funds.		
	(22,362)	30,512
 In the statement of activities, certain operating expenses - other pension benefits, severance benefits and compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		
	79,229	271,615
 Pension expenses on the governmental funds are measured by current year employee contributions. Pension expenditures on the Statement of Activities are measured by the change in Net Pension Liability and the related deferred inflows and outflows of resources.		
	549,016	-
 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.		
	986,495	2,669,727
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 8,628,154</b>	<b>\$ 2,862,928</b>

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  
GENERAL FUND  
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 13,088,481	\$ 13,088,481	\$ 13,063,615	\$ (24,866)
Earnings on Investments	20,000	13,000	13,855	855
Other	972,744	1,376,317	1,696,205	319,888
State Sources	59,162,304	60,383,235	61,166,707	783,472
Federal Sources	1,280,486	1,384,564	1,313,872	(70,692)
Total Revenues	<u>74,524,015</u>	<u>76,245,597</u>	<u>77,254,254</u>	<u>1,008,657</u>
<b>EXPENDITURES</b>				
Current:				
Administration	2,781,592	3,051,999	3,055,111	3,112
District Support Services	2,574,379	2,870,775	2,858,468	(12,307)
Elementary and Secondary Regular Instruction	34,633,148	36,301,147	36,427,518	126,371
Vocational Education Instruction	554,424	656,643	665,893	9,250
Special Education Instruction	14,121,618	13,963,396	13,912,768	(50,628)
Instructional Support Services	5,444,746	4,639,319	4,528,930	(110,389)
Pupil Support Services	5,668,339	5,913,608	5,872,939	(40,669)
Sites and Buildings	4,789,022	5,357,231	5,307,435	(49,796)
Fiscal and Other Fixed Cost Programs	275,000	284,230	284,226	(4)
Capital Outlay	3,153,026	6,330,216	5,184,838	(1,145,378)
Debt Service:				
Principal	376,836	387,986	388,067	81
Interest and Fiscal Charges	452,564	457,215	457,191	(24)
Total Expenditures	<u>74,824,694</u>	<u>80,213,765</u>	<u>78,943,384</u>	<u>(1,270,381)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(300,679)	(3,968,168)	(1,689,130)	2,279,038
<b>OTHER FINANCING SOURCES</b>				
Sale of Real Property Proceeds	-	-	19,144	19,144
Net Change in Fund Balances	<u>\$ (300,679)</u>	<u>\$ (3,968,168)</u>	<u>(1,669,986)</u>	<u>\$ 2,298,182</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>12,941,309</u>	
End of Year			<u>\$ 11,271,323</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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ 800	\$ 800	\$ 661	\$ (139)
Other - Primarily Meal Sales	2,946,400	2,946,400	2,922,681	(23,719)
State Sources	91,500	91,500	159,431	67,931
Federal Sources	629,200	629,200	701,537	72,337
Total Revenues	<u>3,667,900</u>	<u>3,667,900</u>	<u>3,784,310</u>	<u>116,410</u>
<b>EXPENDITURES</b>				
Current:				
Food Service	3,581,600	3,685,100	3,750,933	65,833
Capital Outlay	85,000	28,200	28,790	590
Total Expenditures	<u>3,666,600</u>	<u>3,713,300</u>	<u>3,779,723</u>	<u>66,423</u>
Net Change in Fund Balance	<u>\$ 1,300</u>	<u>\$ (45,400)</u>	4,587	<u>\$ 49,987</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>579,329</u>	
End of Year			<u>\$ 583,916</u>	

See accompanying Notes to Basic Financial Statements.



**PRIOR LAKE-SAVAGE AREAS 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, 2015**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 597,931	\$ 597,931	\$ 626,446	\$ 28,515
Earnings on Investments	-	-	1,511	1,511
Other - Primarily Tuition and Fees	3,470,700	3,865,364	3,819,299	(46,065)
State Sources	500,989	502,424	555,473	53,049
Total Revenues	<u>4,569,620</u>	<u>4,965,719</u>	5,002,729	37,010
<b>EXPENDITURES</b>				
Current:				
Community Service	4,769,699	4,851,158	4,743,472	(107,686)
Capital Outlay	37,780	38,980	31,493	(7,487)
Total Expenditures	<u>4,807,479</u>	<u>4,890,138</u>	<u>4,774,965</u>	<u>(115,173)</u>
Net Change in Fund Balance	<u>\$ (237,859)</u>	<u>\$ 75,581</u>	227,764	<u>\$ 152,183</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>1,189,642</u>	
End of Year			<u>\$ 1,417,406</u>	

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREAS SCHOOLS**  
**INDEPENDENT SCHOOL DISTRICT NO. 719**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**INTERNAL SERVICE FUND**  
**JUNE 30, 2015**  
**(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	2015	2014
<b>ASSETS</b>		
Current Assets:		
Cash and Investments	\$ 11,810,488	\$ 10,375,855
Accounts Receivable	11,700	12,902
Total Assets	11,822,188	10,388,757
<b>LIABILITIES</b>		
Claims Payable for Health and Dental Benefits	1,721,200	1,361,872
Unearned Revenue	1,241,741	1,154,133
Total Liabilities	2,962,941	2,516,005
<b>NET POSITION</b>		
Unrestricted	\$ 8,859,247	\$ 7,872,752

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREAS SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 11,282,030	\$ 10,883,672
<b>OPERATING EXPENSES</b>		
VEBA Contributions	43,541	67,777
Health Insurance Claim Payments	9,571,152	7,579,988
General Administration Fees	<u>799,529</u>	<u>675,250</u>
Total Operating Expenses	<u>10,414,222</u>	<u>8,323,015</u>
<b>OPERATING INCOME</b>	867,808	2,560,657
<b>NONOPERATING INCOME</b>		
Earnings on Investments	<u>118,687</u>	<u>109,070</u>
Change in Net Position	986,495	2,669,727
Total Net Position - Beginning	<u>7,872,752</u>	<u>5,203,025</u>
Total Net Position - Ending	<u><u>\$ 8,859,247</u></u>	<u><u>\$ 7,872,752</u></u>

See accompanying Notes to Basic Financial Statements.

**PRIOR LAKE-SAVAGE AREAS SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Interfund Services Provided	\$ 11,370,840	\$ 10,941,265
Payments for Administrative Costs	(799,529)	(675,250)
Payments for Medical Fees and Insurance Claims	(9,211,824)	(7,672,703)
Payments for Wellness	(43,541)	(67,777)
Net Cash Provided by Operating Activities	1,315,946	2,525,535
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	118,687	109,070
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,434,633	2,634,605
Cash and Cash Equivalents - Beginning	10,375,855	7,741,250
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	\$ 11,810,488	\$ 10,375,855
Displayed on Statements of Fund Net Position as:		
Cash and Investments	\$ 11,810,488	\$ 10,375,855
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 867,808	\$ 2,560,657
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Increase (Decrease) in Accounts Receivable	1,202	(830)
(Increase) Decrease in Claims Payable	359,328	(92,715)
Increase in Unearned Revenue	87,608	58,423
Total Adjustments	448,138	(35,122)
Net Cash Provided by Operating Activities	\$ 1,315,946	\$ 2,525,535

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, 2015**

**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.

U.S. Generally Accepted Accounting Principles (GAAP) require 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.

**C. Change in Accounting Principle**

During fiscal year ended June 30, 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the related GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*. The primary objective of these Statements is to improve accounting and financial reporting by state and local governments for pensions. They also improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities. See Note 12 for more detail of the effect of this change in accounting principle on the financial statements.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

D. 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 non-operating 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 non-operating revenues and expenses.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, 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 U.S. generally accepted accounting principles. 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, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. 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.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

E. Measurement Focus and Basis of Accounting (Continued)

*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, which is accounted for as an internal service fund.

F. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with U.S. generally accepted accounting principles. 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:

Revenues	Original Budget	Amendments	Amended Budget
General Fund	\$ 74,524,015	\$ 1,721,582	\$ 76,245,597
Special Revenue Funds:			
Community Service Fund	4,569,620	396,099	4,965,719
<u>Expenditures</u>			
General Fund	74,824,694	5,389,071	80,213,765
Special Revenue Funds:			
Food Service Fund	3,666,600	46,700	3,713,300
Community Service Fund	4,807,479	82,659	4,890,138

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, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

F. 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.

G. 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.

H. 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, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

I. 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.

J. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

K. 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. See Note 6 for detail.

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 non-exchange 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, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

K. 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 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. See Note 6 for detail.

L. 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 2014 pay 2015 levy, normally revenue for the 2015-16 fiscal year, are also advance recognized at June 30, 2015, 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, 2015, 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, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

M. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The 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.

N. 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, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

O. 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.

P. 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, 2015 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, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

P. Accrued Employee Benefits (Continued)

Postemployment Health Care Benefits

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. The long-term portion of the postemployment health care benefits liability is included as Other Postemployment Benefits of long-term debt. See Notes 4 and 7 for further information.

Q. 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 from 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 their 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, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

R. 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.

S. Net Position

Net position represent the difference between assets, deferred outflows of resources and liabilities, and deferred inflows of resources in the government-wide, proprietary and fiduciary 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 their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

T. Use of Estimates

The preparation of financial statement in conformity with U.S. generally accepted accounting principles 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.

U. 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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, 2015 is \$14,676,414 and \$16,323,729, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes.

At June 30, 2015, the District's petty cash fund totaled \$625.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

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 thirteen months or less
- General obligations rated “A” or better; revenue obligations rated “AA” or better
- General obligations of the Minnesota Housing Finance Agency rate “A” or better
- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers

At June 30, 2015, the District’s investment balances were as follows:

MN Trust Investment Shares	\$ 13,551,690
MN Trust TERM Series	1,500,000
MSDLAF+ Liquid Class	1,502,585
MSDLAF+ MAX Class	370,446
AUL Fixed-Interest Fund	5,086,826
	\$ 22,011,547

**Minnesota School District Liquid Asset Fund Plus (MSDLAF+)**

The MSDLAF+ is an external investment pool and its investments are valued at amortized cost, which approximates fair value in accordance with Rule 2a-7 of the Investment Company Act of 1940. 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 instruments.

**Credit Risk** – The MSDLAF+ pool is rated AAAM by Standard & Poor’s.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

B. Investments (Continued)

**MNTrust Investment Shares –**

MNTrust fund investments are restricted to securities described in Minnesota States, Section 118.04. MNTrust's 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.

**Credit Risk** – MNTrust is rated AAAM by Standard & Poor's.

**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, 2015, 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:

	Maturities in years		
	Less than 1	1-5	More than 5
MN Trust Investment Shares	\$ 13,551,690	\$ -	\$ -
MN Trust TERM Series	1,500,000	-	-
AUL Fixed-Interest Fund	-	-	5,086,826
	<u>\$ 15,051,690</u>	<u>\$ -</u>	<u>\$ 5,086,826</u>

**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.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)**

B. Investments (Continued)

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

Statement of Net Position:	
Cash and Investments	<u><u>\$ 36,688,586</u></u>

**NOTE 3 CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 12,503,082	\$ -	\$ (19,144)	\$ 12,483,938
Construction in Progress	12,399,193	-	(12,399,193)	-
Total Capital Assets, Not Being Depreciated	24,902,275	-	(12,418,337)	12,483,938
Capital Assets, Being Depreciated:				
Land Improvements	2,439,664	1,763,641	-	4,203,305
Buildings and Improvements	171,853,387	24,193,635	-	196,047,022
Equipment	11,594,031	2,443,965	-	14,037,996
Total Capital Assets, Being Depreciated	185,887,082	28,401,241	-	214,288,323
Accumulated Depreciation for:				
Land Improvements	(1,112,614)	(48,166)	-	(1,160,780)
Buildings and Improvements	(45,436,171)	(2,513,822)	-	(47,949,993)
Equipment	(5,862,469)	(732,077)	-	(6,594,546)
Total Accumulated Depreciation	(52,411,254)	(3,294,065)	-	(55,705,319)
Total Capital Assets, Being Depreciated, Net	133,475,828	25,107,176	-	158,583,004
Governmental Activities Capital Assets, Net	\$ 158,378,103	\$ 25,107,176	\$ (12,418,337)	\$ 171,066,942

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

<b>Governmental Activities</b>	
Administration	\$ 8,057
District Support Services	13,708
Regular Instruction	2,046,505
Special Education Instruction	2,979
Instructional Support Services	326,958
Sites and Buildings	820,607
Food Service	66,093
Community Service	9,158
Total Depreciation Expense, Governmental Activities	\$ 3,294,065

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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	Original Issue	Final Maturity	Principal Outstanding Due Within One Year	Total
1/3/2007	4.00% - 5.00%	\$ 12,160,000	2/1/2026	\$ 470,000	\$ 10,195,000
1/3/2007	4.00% - 5.00%	29,375,000	2/1/2021	2,535,000	17,080,000
11/9/2010	4.00% - 5.00%	21,700,000	2/1/2023	480,000	20,375,000
11/3/2011	3.00%	12,225,000	2/1/2023	2,400,000	5,700,000
6/12/2013	2.00% - 3.00%	12,500,000	2/1/2026	-	12,500,000
6/12/2013	2.00% - 3.00%	5,380,000	2/1/2028	315,000	4,665,000
12/12/2013	3.00% - 5.00%	39,195,000	2/1/2026	625,000	39,195,000
1/8/2014	2.00% - 3.50%	3,205,000	2/1/2028	210,000	3,000,000
Total General Obligation Bonds				7,035,000	112,710,000
Bond Premium - Net				-	6,952,618
Capital Lease Obligation				565,341	11,285,652
Other Postemployment Benefits				-	2,360,794
Compensated Absences Payable				94,000	943,369
Pension Benefits Payable				-	42,216,151
				<u>\$ 7,694,341</u>	<u>\$ 176,468,584</u>

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.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 4 LONG-TERM LIABILITIES (CONTINUED)**

**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		
	Principal	Interest	Total
2016	\$ 7,035,000	\$ 4,524,684	\$ 11,559,684
2017	8,200,000	4,279,334	12,479,334
2018	8,860,000	3,890,634	12,750,634
2019	9,540,000	3,509,984	13,049,984
2020	10,235,000	3,089,984	13,324,984
2021 - 2025	55,390,000	8,723,703	64,113,703
2026 - 2028	13,450,000	547,650	13,997,650
Total	<u>\$ 112,710,000</u>	<u>\$ 28,565,973</u>	<u>\$ 141,275,973</u>

**C. Changes in Long-Term Debt**

	June 30, 2014	Net Additions	Retirements	June 30, 2015
Bonds Payable	\$ 161,835,000	\$ -	\$ 49,125,000	\$ 112,710,000
Bond Premium	8,808,325	-	1,855,707	6,952,618
Capital Lease Obligations	11,673,719	-	388,067	11,285,652
Retirement Benefits Payable	1,963,308	1,172,548	775,062	2,360,794
Early Retirement Incentive Pay	970,348	69,750	96,729	943,369
Net Pension Liability	48,704,038	3,028,938	9,516,825	422,161,511
	<u>\$ 233,954,738</u>	<u>\$ 4,271,236</u>	<u>\$ 61,757,390</u>	<u>\$ 176,468,584</u>

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

On December 12, 2013, the District issued \$39,195,000 of General Obligation School Building Refunding Bonds, Series 2013C. A total of \$40,520,000 of the proceeds (including bond premium of \$4,539,047) were used on February 1, 2015 to refund, in advance of their stated maturities, the remaining maturities of the District's 2005B General Obligation School Building Bonds. The crossover refunding of the 2005B issuance will result in a present value savings of \$3,326,515.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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.

Severance, Compensated Absences, Other Pension Benefits Payable and Other Postemployment Benefits

Severance, Other Pension Benefits Payable and Other Postemployment Benefits liabilities consist of convertible sick leave, early retirement incentives, and other healthcare benefits paid for retirees upon retirement.

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. The present value of these capital lease payments is capitalized as equipment and accumulated depreciation as of June 30, 2015 was \$58,642.

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 \$296,216 of accumulated depreciation at June 30, 2015.

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 no accumulated depreciation at June 30, 2015.



**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 4 LONG-TERM LIABILITIES (CONTINUED)**

D. Description of Long-Term Debt (Continued)

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	Capital Leases Payable	
	Principal	Interest
2016	\$ 565,341	\$ 445,774
2017	586,057	425,059
2018	607,571	403,543
2019	629,915	381,204
2020	653,123	357,993
2021 - 2025	3,480,614	1,409,122
2026 - 2030	2,466,806	814,216
2031 - 2034	2,296,225	235,809
Total	11,285,652	4,472,720

**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. Any such “restrictions” which have an accumulated deficit rather than a positive balance at June 30 are included since the District has specific statutory authority to levy taxes for such deficits.

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 Deferred Maintenance – This balance represents unspent deferred maintenance revenues. Revenues are from local tax levies.

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.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 5 RESTRICTED FUND BALANCES (CONTINUED)**

A. Restricted Fund Balances (Continued)

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 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.

B. Assigned Fund Balances

At June 30, 2015, the General Fund includes assignments of fund balance for Special Education carryover, cash flow, class size reduction, innovation, Q-Comp and site carryover. 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 2015-16. Innovation dollars are anticipated start-up costs for a new language immersion program in the District's schools.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**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 follows:

**A. Plan Description**

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

1. General Employees Retirement Plan (GERF)

PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. All full-time and certain part-time employees of the 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.

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 cities of Duluth and St. Paul, and by the University of Minnesota system) are required to be TRA members.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided**

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

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

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

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

**1. GERS Benefits**

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

2. TRA Benefits

TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statute and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

Two methods are used to compute benefits for TRA's Coordinated and Basic Plan members. Members first employed before July 1, 1989, receive the greater of the Tier I or Tier II benefits as described.

*Tier 1 Benefits*

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

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) 3.0% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

*Tier II Benefits*

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Benefits Provided (Continued)**

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.

**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. GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in calendar year 2014. Coordinated Plan members contributed 6.5% of pay in 2015. In calendar year 2014, the District was required to contribute 11.78% of pay for Basic Plan members and 7.25% for Coordinated Plan members. In 2015, employer rates increased to 7.5% in the Coordinated Plan. The District's contributions to the GERF for the plan's fiscal year ended June 30, 2015, were \$858,742. 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:

	Ending June 30, 2014		Ending June 30, 2015	
	Employee	Employer	Employee	Employer
Basic	10.5	11	11	11.5
Coordinated	7	7	7.5	7.5

The District's contributions to TRA for the plan's fiscal year ended June 30, 2015, were \$2,585,543. 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, 2015**

**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs**

3. GERF Pension Costs

At June 30, 2015, the District reported a liability of \$9,578,200 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2013, through June 30, 2014, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the District's proportion was 0.2039%.

For the year ended June 30, 2015, the District recognized pension expense of \$711,039 for its proportionate share of GERF's pension expense.

At June 30, 2015, 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	\$ 146,996	\$ -
Changes in Actuarial Assumptions	987,129	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	2,588,021
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share of		
Contributions	-	-
District Contributions Subsequent to the		
Measurement Date	858,742	-
Total	<u>\$ 1,992,867</u>	<u>\$ 2,588,021</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

3. GERF Pension Costs (Continued)

\$858,742 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expenses Amount
2016	\$ (268,963)
2017	(268,963)
2018	(268,963)
2019	(647,005)
2020	-
Thereafter	-

4. TRA Pension Costs

At June 30, 2015, the District reported a liability of \$32,637,951 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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. The District's proportionate share was 0.7083% at the end of the measurement period and 0.6555% for the beginning of the period.

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the 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	\$ 32,637,954
State's Proportionate Share of TRA's Net Pension Liability Associated with the District	2,295,952

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



**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. Pension Costs (Continued)**

4. TRA Pension Costs

For the year ended June 30, 2015, the District recognized pension expense of \$1,971,010. It also recognized \$100,156 as pension expense for the support provided by direct aid.

At June 30, 2015, 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	\$ 2,784,903	\$ -
Changes in Actuarial Assumptions	-	-
Net Difference Between Projected and Actual Investment Earnings	-	10,261,043
Changes in Proportion Differences Between Contributions and Made and the District's Proportionate Share of Contributions (Second Part to be determined by District)	2,808,201	-
District Contributions Subsequent to the Measurement Date	2,585,543	-
Total	<u>\$ 8,178,647</u>	<u>\$ 10,261,043</u>

\$2,585,543 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 ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expenses Amount
2016	\$ (1,397,598)
2017	(1,397,598)
2018	(1,397,598)
2019	(1,397,598)
2020	922,452
Thereafter	-

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions**

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

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

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

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

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

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

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

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**E. Actuarial Assumptions (Continued)**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6%
International Equity	15%	6%
Bonds	18%	1%
Alternative Assets	20%	6%
Cash	2%	1%
Totals	<u>100%</u>	

**F. Discount Rate**

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

**G. Pension Liability Sensitivity**

The following presents the 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
GERF Discount Rate	6.90%	7.90%	8.90%
District's Proportionate Share of the GERF Net Pension Liability	\$ 15,440,446	\$ 9,578,200	\$ 4,754,952
TRA Discount Rate	7.25%	8.25%	9.25%
District's Proportionate Share of the TRA Net Pension Liability	\$ 53,939,361	\$ 32,637,954	\$ 14,879,945

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 6 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**H. Pension Plan Fiduciary Net Position**

Detailed information about GERP's fiduciary's net position is available in a separately-issued PERA financial report. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

Detailed information about TRA's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at [www.MinnesotaTRA.org](http://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**

At June 30, 2009, the District adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The District engaged an actuary to determine the District's liability for postemployment healthcare benefits other than pensions.

**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. There are 702 active participants, 50 retired participants and 16 spouses. 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.

**B. Funding Policy**

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 2015, the District contributed \$775,062 to the plan.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

C. Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the District's net OPEB obligation.

Annual Required Contribution	\$ 1,212,571
Interest on Net OPEB Obligation	78,532
Adjustment to Annual Required Contribution	<u>(118,555)</u>
Annual OPEB Cost (Expense)	1,172,548
Contributions Made	<u>(775,062)</u>
Increase in Net OPEB Obligation	397,486
Net OPEB Obligation - Beginning of Year	<u>1,963,308</u>
Net OPEB Obligation - End of Year	<u><u>\$ 2,360,794</u></u>

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 1,172,548	66%	\$ 2,360,794
6/30/2014	1,128,320	81%	1,963,308
6/30/2013	1,131,513	92%	1,750,586

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

D. Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$9,824,410. The annual payroll for active employees covered by the plan in the actuarial valuation was \$37,576,111 for a ratio of UAAL to covered payroll of 26.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% discount rate which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 7.5%, reduced by decrements to an ultimate rate of 5% after ten years. The UAAL is being amortized as a level percentage of projected payrolls on a closed basis and the amortization period is not to exceed 30 years.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8 SUPPLEMENTAL PENSION PLAN**

The District engaged an actuary to determine the District's liability for its supplemental pension plan in accordance with the District adopted GASB Statement No. 27, as of July 1, 2014.

**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 6 years of service. There is no maximum benefit amount for any bargaining group, other than the superintendent who is capped at 50% of annual salary.

Currently, there are 45 active employees who are eligible to receive benefits under the plan as of July 1, 2014. 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.

**B. Funding Policy**

Payments under the plan are made on a pay-as-you go basis. There are no invested plan assets accumulated for payment of future benefits. The General Fund is used for funding of all pension/retirement benefits. The employer makes all contributions.

**C. Annual Pension Cost and Net Pension Obligation**

The District's annual pension cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 27. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual pension cost for the year, the amount actually paid from the plan, and changes in the District's net pension obligation.

Annual Required Contribution	\$ 135,889
Interest on Net Pension Asset	(2,691)
Adjustment to Annual Required Contribution	8,011
Annual Pension Cost	<u>141,209</u>
Contributions Made	<u>193,459</u>
Increase in Net Pension Asset	52,250
Net Pension Asset - Beginning of Year	67,279
Net Pension Asset - End of Year	<u><u>\$ 119,529</u></u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)**

C. Annual Pension Cost and Net Pension Obligation (Continued)

The District's annual pension cost, the percentage of the annual pension cost contributed to the plan, and the net pension asset for 2015, 2014 and 2013 was:

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Asset
6/30/2015	\$ 141,209	-137%	\$ 119,529
6/30/2014	168,555	85%	67,279
6/30/2013	172,999	92%	91,942

D. Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$1,066,723. The annual payroll for active employees covered by the plan in the actuarial valuation was \$3,265,304 for a ratio of UAAL to covered payroll of 32.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and salary cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

The annual required contribution for the current year was determined as part of the July 1, 2014, actuarial valuation using the projected unit actuarial cost method. The actuarial assumptions included a 4.0% discount rate, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and projected salary increases at 3%.



**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 8 SUPPLEMENTAL PENSION PLAN (CONTINUED)**

E. Actuarial Methods and Assumptions (Continued)

The actuarial methods and assumptions include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll. The remaining amortization period at June 30, 2014, is not to exceed 30 years.

**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.

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 3 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. At June 30, 2015, there is a reserve of \$2,699,598.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 10 HEALTH SELF-INSURANCE PLAN (CONTINUED)**

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, 2015. 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, 2015, for payment of claims.

The balances of claim liabilities during fiscal years 2015 and 2014 were as follows:

	Fiscal Year 2015	Fiscal Year 2014
Beginning of Fiscal Year Liability - July 1, 2014	\$ 1,361,872	\$ 7,953,397
Current Year Claims, Changes in Estimates and Other Charges	9,571,152	7,579,988
Current Year Claims Paid, including an Estimate of Claims Incurred but Not Reported (IBNR)	<u>(9,211,824)</u>	<u>(14,171,513)</u>
End of Fiscal Year Liability - June 30, 2015	<u>\$ 1,721,200</u>	<u>\$ 1,361,872</u>

**NOTE 11 INTERFUND BALANCES AND OPERATING TRANSFERS**

The District had no interfund receivable or payable balances at June 30, 2015.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 12 CHANGE IN ACCOUNTING PRINCIPLE**

During fiscal year ended June 30, 2015, the District adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and related Statement No. 71. As a result, the District's net position as of June 30, 2014 has been restated to reflect the recognition of the School's proportionate share of the Public Employees' Retirement Association of Minnesota General Employees' Retirement Fund's net pension liability as well as their portion of the Teacher's Retirement Association's Coordinated and Basic Plan net pension liability.

Net Position, June 30, 2014, as Previously Reported	\$ 49,703,888
Cumulative Affect of Application of GASB 68, Net Pension Liability	(48,704,038)
Cumulative Affect of Application of GASB 71, Deferred Outflow of Resources for District Contributions Made to the Plan During Fiscal Year Ending June 30, 2014	3,261,321
Net Position, June 30, 2014, as Restated	\$ 4,261,171

## **REQUIRED SUPPLEMENTARY INFORMATION**

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
FOR POSTEMPLOYMENT BENEFIT PLANS  
YEAR ENDED JUNE 30, 2015**

**SCHEDULES OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS PLANS**

Other Postemployment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2014	\$ -	\$ 9,824,410	\$ 9,824,410	-	\$ 37,576,111	26%
7/1/2012	-	9,825,447	9,825,447	-	33,184,896	30%
7/1/2010	-	9,593,870	9,593,870	-	33,418,619	29%

Supplemental Pension Benefits						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2014	\$ -	\$ 1,066,723	\$ 1,066,723	-	\$ 3,265,304	33%
7/1/2012	-	1,185,732	1,185,732	-	5,885,625	20%
7/1/2010	-	1,741,973	1,741,973	-	8,571,676	20%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR POSTEMPLOYMENT BENEFIT PLANS**

Other Postemployment Benefits		
Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2015	\$ 1,212,571	64%
2013	1,159,686	90%
2011	1,130,941	66%

Supplemental Pension		
Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2015	\$ 135,889	142%
2014	163,081	88%
2013	163,081	0%
2012	219,967	71%
2011	219,967	396%
2010	219,212	71%

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
 INDEPENDENT SCHOOL DISTRICT NO. 719  
 TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 YEAR ENDED JUNE 30, 2015**

	2015
District's Proportion of the Net Pension Liability	0.007083
District's Proportionate Share of the Net Pension Liability	\$ 32,637,954
State's Proportionate Share of the Net Pension Liability Associated with District	2,295,952
Total	\$ 34,933,906
 District's Covered-Employee Payroll	 34,473,907
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered-Employee Payroll	95%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	82%

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2015**

	2015
Statutorily Required Contribution	\$ 2,585,543
Contributions in Relation to the Statutorily Required Contribution	(2,585,543)
Contribution Deficiency (Excess)	\$ -
 District's Covered-Employee Payroll	 34,473,907
 Contributions as a Percentage of Covered Employee Payroll	 0.075

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
 INDEPENDENT SCHOOL DISTRICT NO. 719  
 PERA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 YEAR ENDED JUNE 30, 2015**

	2015
District's Proportion of the Net Pension Liability	0.002039
District's Proportionate Share of the Net Pension Liability	\$ 9,578,200
District's Covered-Employee Payroll	11,643,959
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered-Employee Payroll	82%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	79%



**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
PERA SCHEDULE OF DISTRICT CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2015**

		2015
Statutorily Required Contribution	\$	858,742
Contributions in Relation to the Statutorily Required Contribution		(858,742)
Contribution Deficiency (Excess)	\$	-
 District's Covered-Employee Payroll	 \$	 11,643,959
 Contributions as a Percentage of Covered Employee Payroll		 0.07375

## **SUPPLEMENTAL INFORMATION**

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	2015	2014
<b>ASSETS</b>		
Cash and Investments	\$ 14,622,777	\$ 15,145,984
Receivables:		
Current Taxes	6,517,775	6,455,236
Delinquent Taxes	120,058	126,816
Accounts and Interest Receivable	85,571	49,184
Due from Other Minnesota School Districts	15,375	14,995
Due from Minnesota Department of Education	6,650,094	6,581,092
Due from Federal through the Minnesota Department of Education	60,121	149,741
Inventories	193,379	188,620
Prepaid Items	145,698	238,511
Total Assets	\$ 28,410,848	\$ 28,950,179
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 3,068,790	\$ 2,870,270
Payroll Deductions and Employer Contributions Payable	228,776	193,358
Accounts and Contracts Payable	1,127,703	445,225
Due to Other Minnesota School Districts	93,449	137,932
Due to Other Governmental Units	706	397
Unearned Revenue	243,868	271,321
Total Liabilities	4,763,292	3,918,503
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	12,256,175	11,963,551
Unavailable Revenue - Delinquent Taxes	120,058	126,816
Total Deferred Inflows of Resources	12,376,233	12,090,367
Fund Balance:		
Nonspendable:		
Prepaid Items	145,698	238,511
Inventory	193,379	188,620
Restricted for:		
Staff Development	102,109	172,542
Deferred Maintenance	34,355	250,087
Operating Capital	1,780,186	2,932,782
Safe School Crime Levy	125,303	146,779
Assigned for:		
Special Education Carry-over	333,010	433,010
Redtail Ridge	-	27,732
Cash Flow	1,722,500	1,722,500
Class-size Reduction	500,000	500,000
Technology	-	500,000
Innovation Programs	500,000	500,000
Q-Comp	266,228	182,083
Site Carryover	466,802	416,669
Unassigned	5,101,753	4,729,994
Total Fund Balance	11,271,323	12,941,309
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	28410848	28950179

**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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015		Over (Under) Final Budget	2014
	Final Budget	Actual Amounts		Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 13,088,481	\$ 13,063,615	\$ (24,866)	\$ 7,466,027
Earnings on Investments	13,000	13,855	855	26,149
Other	1,376,317	1,696,205	319,888	1,304,747
State Sources	60,383,235	61,166,707	783,472	60,577,804
Federal Sources	1,384,564	1,313,872	(70,692)	1,509,050
Total Revenues	76,245,597	77,254,254	1,008,657	70,883,777
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	2,091,944	2,092,214	270	1,952,406
Employee Benefits	786,150	806,204	20,054	756,203
Purchased Services	80,127	68,460	(11,667)	62,487
Supplies and Materials	38,211	32,341	(5,870)	19,952
Capital Expenditures	-	-	-	187
Other Expenditures	55,567	55,892	325	42,671
Total Administration	3,051,999	3,055,111	3,112	2,833,906
District Support Services:				
Salaries	1,480,583	1,479,420	(1,163)	881,100
Employee Benefits	488,080	495,512	7,432	328,710
Purchased Services	305,016	342,043	37,027	(24,029)
Supplies and Materials	552,327	501,747	(50,580)	70,300
Capital Expenditures	655,375	568,140	(87,235)	48,473
Other Expenditures	44,769	39,746	(5,023)	39,588
Total District Support Services	3,526,150	3,426,608	(99,542)	1,344,142
Elementary and Secondary Regular Instruction:				
Salaries	23,501,525	23,505,795	4,270	21,422,825
Employee Benefits	10,077,110	10,276,555	199,445	9,432,498
Purchased Services	1,411,119	1,497,943	86,824	1,207,192
Supplies and Materials	1,292,187	1,127,536	(164,651)	716,892
Capital Expenditures	413,179	406,324	(6,855)	197,442
Other Expenditures	19,206	19,689	483	9,754
Total Elementary and Secondary Regular Instruction	36,714,326	36,833,842	119,516	32,986,603

**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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015		Over (Under) Final Budget	2014
	Final Budget	Actual Amounts		Actual Amounts
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 448,641	\$ 448,920	\$ 279	\$ 405,691
Employee Benefits	140,762	141,411	649	117,607
Purchased Services	56,277	70,160	13,883	46,159
Supplies and Materials	10,963	5,402	(5,561)	5,997
Total Vocational Education Instruction	656,643	665,893	9,250	575,454
Special Education Instruction:				
Salaries	9,657,246	9,661,800	4,554	9,081,529
Employee Benefits	3,861,854	3,859,993	(1,861)	3,572,155
Purchased Services	350,238	314,090	(36,148)	546,234
Supplies and Materials	92,558	75,527	(17,031)	85,971
Capital Expenditures	20,255	20,142	(113)	8,472
Other Expenditures	1,500	1,358	(142)	1,299
Total Special Education Instruction	13,983,651	13,932,910	(50,741)	13,295,660
Instructional Support Services:				
Salaries	2,962,326	2,939,484	(22,842)	3,089,787
Employee Benefits	1,065,141	1,085,737	20,596	1,178,316
Purchased Services	349,957	278,010	(71,947)	513,116
Supplies and Materials	254,787	218,830	(35,957)	505,395
Capital Expenditures	1,702,557	1,656,585	(45,972)	1,555,624
Other Expenditures	7,108	6,869	(239)	11,317
Total Instructional Support Services	6,341,876	6,185,515	(156,361)	6,853,555
Pupil Support Services:				
Salaries	1,410,905	1,402,781	(8,124)	1,245,356
Employee Benefits	514,378	531,531	17,153	513,163
Purchased Services	3,897,096	3,858,244	(38,852)	3,691,635
Supplies and Materials	91,229	80,383	(10,846)	89,392
Capital Expenditures	98,958	65,221	(33,737)	-
Total Pupil Support Services	6,012,566	5,938,160	(74,406)	5,539,546

**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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015		Over (Under) Final Budget	2014
	Final Budget	Actual Amounts		Actual Amounts
<b>EXPENDITURES (CONTINUED)</b>				
Current (Continued):				
Sites and Buildings:				
Salaries	\$ 2,236,666	\$ 2,237,897	\$ 1,231	\$ 2,028,797
Employee Benefits	858,889	886,347	27,458	810,541
Purchased Services	1,683,280	1,649,777	(33,503)	1,711,789
Supplies and Materials	541,713	497,743	(43,970)	819,157
Capital Expenditures	3,439,892	2,468,426	(971,466)	1,634,211
Other Expenditures	36,683	35,671	(1,012)	33,685
Total Sites and Buildings	<u>8,797,123</u>	<u>7,775,861</u>	<u>(1,021,262)</u>	<u>7,038,180</u>
Fiscal and Other Fixed Cost Programs:				
Purchased Services	284,230	284,226	(4)	245,674
Debt Service:				
Principal	387,986	388,067	81	29,303
Interest and Fiscal Charges	457,215	457,191	(24)	17,125
Total Debt Service	<u>845,201</u>	<u>845,258</u>	<u>57</u>	<u>46,428</u>
Total Expenditures	<u>80,213,765</u>	<u>78,943,384</u>	<u>(1,270,381)</u>	<u>70,759,148</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,968,168)	(1,689,130)	2,279,038	124,629
<b>OTHER FINANCING SOURCES</b>				
Sale of Real Property Proceeds	<u>-</u>	<u>19,144</u>	<u>19,144</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (3,968,168)</u>	<u>(1,669,986)</u>	<u>\$ 2,298,182</u>	<u>124,629</u>
<b>FUND BALANCE</b>				
Beginning of Year		<u>12,941,309</u>		<u>12,816,680</u>
End of Year		<u>\$ 11,271,323</u>		<u>\$ 12,941,309</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
FOOD SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and Investments	\$ 617,197	\$ 667,859
Accounts and Interest Receivable	2,253	-
Due from Minnesota Department of Education	21,907	-
Due from Federal through the Minnesota Department of Education	25,011	-
Inventory	47,154	30,853
Prepaid Items	<u>8,352</u>	<u>387</u>
 Total Assets	 <u>\$ 721,874</u>	 <u>\$ 699,099</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Payroll Deductions and Employer Contributions Payable	\$ 979	\$ 892
Accounts and Contracts Payable	30,813	17,513
Unearned Revenue	<u>106,166</u>	<u>101,365</u>
Total Liabilities	137,958	119,770
 Fund Balance:		
Nonspendable:		
Prepaid Items	8,352	387
Inventory	47,155	30,853
Restricted for Food Service Program	<u>528,409</u>	<u>548,089</u>
Total Fund Balance	<u>583,916</u>	<u>579,329</u>
 Total Liabilities and Fund Balance	 <u>\$ 721,874</u>	 <u>\$ 699,099</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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015		Over (Under) Final Budget	2014
	Final Budget	Actual Amounts		Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ 800	\$ 661	\$ (139)	\$ 1,238
Other - Primarily Meal Sales	2,946,400	2,922,681	(23,719)	2,950,980
State Sources	91,500	159,431	67,931	89,264
Federal Sources	629,200	701,537	72,337	641,730
Total Revenues	3,667,900	3,784,310	116,410	3,683,212
<b>EXPENDITURES</b>				
Current:				
Salaries	1,291,899	1,292,570	671	1,219,040
Employee Benefits	396,226	391,585	(4,641)	422,062
Purchased Services	91,179	154,139	62,960	83,496
Supplies and Materials	1,895,896	1,903,310	7,414	1,774,027
Other Expenditures	9,900	9,329	(571)	8,691
Capital Outlay	28,200	28,790	590	78,605
Total Expenditures	3,713,300	3,779,723	66,423	3,585,921
Net Change in Fund Balance	\$ (45,400)	4,587	\$ 49,987	97,291
<b>FUND BALANCE</b>				
Beginning of Year		579,329		482,038
End of Year		\$ 583,916		\$ 579,329



**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
COMMUNITY SERVICE SPECIAL REVENUE FUND  
BALANCE SHEET  
JUNE 30, 2015**

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

	2015	2014
<b>ASSETS</b>		
Cash and Investments	\$ 1,980,156	\$ 1,717,091
Receivables:		
Current Taxes	290,642	294,883
Delinquent Taxes	5,677	6,154
Accounts and Interest Receivable	118,226	94,358
Due from Other Minnesota School Districts	6,240	11,967
Due from Minnesota Department of Education	63,091	57,123
Due from Other Governmental Units	-	112
Prepaid Items	19,561	18,359
Total Assets	\$ 2,483,593	\$ 2,200,047
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 2,132	\$ -
Payroll Deductions and Employer Contributions Payable	710	1,729
Accounts and Contracts Payable	159,860	123,296
Unearned Revenue	307,772	281,533
Total Liabilities	470,474	406,558
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	590,036	597,693
Unavailable Revenue - Delinquent Taxes	5,677	6,154
Total Deferred Inflows of Resources	595,713	603,847
Fund Balance:		
Nonspendable:		
Prepaid Items	19,561	18,359
Restricted for:		
Community Education Programs	1,153,519	1,073,797
Early Childhood and Family Education Programs	187,340	79,266
School Readiness	46,968	16,815
Adult Basic Education	1,405	1,405
Other Purposes	8,613	-
Total Fund Balance	1,417,406	1,189,642
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 2,483,593	\$ 2,200,047

**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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015		Over (Under) Final Budget	2014
	Final Budget	Actual Amounts		Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 597,931	\$ 626,446	\$ 28,515	\$ 298,919
Earnings on Investments	-	1,511	1,511	2,752
Other - Primarily Tuition and Fees	3,865,364	3,819,299	(46,065)	4,106,929
State Sources	<u>502,424</u>	<u>555,473</u>	<u>53,049</u>	<u>743,196</u>
Total Revenues	4,965,719	5,002,729	37,010	5,151,796
<b>EXPENDITURES</b>				
Current:				
Salaries	2,832,762	2,816,113	(16,649)	3,039,773
Employee Benefits	643,694	637,030	(6,664)	792,499
Purchased Services	895,491	881,073	(14,418)	959,711
Supplies and Materials	470,706	403,005	(67,701)	391,172
Other Expenditures	8,505	6,251	(2,254)	3,990
Capital Outlay	<u>38,980</u>	<u>31,493</u>	<u>(7,487)</u>	<u>23,837</u>
Total Expenditures	<u>4,890,138</u>	<u>4,774,965</u>	<u>(115,173)</u>	<u>5,210,982</u>
Net Change in Fund Balance	<u>\$ 75,581</u>	227,764	<u>\$ 152,183</u>	(59,186)
<b>FUND BALANCE</b>				
Beginning of Year		<u>1,189,642</u>		<u>1,248,828</u>
End of Year		<u>\$ 1,417,406</u>		<u>\$ 1,189,642</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
CAPITAL PROJECT – BUILDING CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and Investments	\$ 199,002	\$ 9,921,064
Cash and Investments in Escrow	-	6,186,485
Other Receivables:		
Accounts and Interest Receivable	-	1,960
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 199,002</u>	<u>\$ 16,109,509</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts and Contracts Payable	\$ 56,907	\$ 5,150,903
 Fund Balance:		
Reserved for Alternative Facility Program	142,095	5,356,437
Restricted for Building Construction	-	5,602,169
Total Fund Balance	<u>142,095</u>	<u>10,958,606</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balance	<u>\$ 199,002</u>	<u>\$ 16,109,509</u>

**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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015		Over (Under) Final Budget	2014
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings on Investments	\$ -	\$ 11,918	\$ 11,918	\$ 6,787
<b>EXPENDITURES</b>				
Current:				
Salaries	14,353	14,324	(29)	18,451
Employee Benefits	2,218	2,216	(2)	2,878
Bond Sale Costs	-	-	-	49,532
Capital Outlay	10,942,035	10,811,889	(130,146)	18,856,579
Total Expenditures	<u>10,958,606</u>	<u>10,828,429</u>	<u>(130,177)</u>	<u>18,927,440</u>
Deficiency of Revenues Under Expenditures	(10,958,606)	(10,816,511)	142,095	(18,920,653)
<b>OTHER FINANCING SOURCES (USES)</b>				
Face Amount of Bonds Issued	-	-	-	3,205,000
Capital Lease Proceeds	-	-	-	11,170,000
Bond Premium	-	-	-	59,022
Transfer Out	-	-	-	(75,047)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,358,975</u>
Net Change in Fund Balance	<u>\$ (10,958,606)</u>	(10,816,511)	<u>\$ 142,095</u>	(4,561,678)
Fund Balance - Beginning		<u>10,958,606</u>		<u>15,520,284</u>
Fund Balance - Ending		<u>\$ 142,095</u>		<u>\$ 10,958,606</u>

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2014)**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and Investments	\$ 7,458,966	\$ 8,263,322
Cash and Investments Held by Trustee	-	43,329,047
Receivables:		
Current Taxes	5,845,069	5,725,533
Delinquent Taxes	116,626	131,753
Due from Minnesota Department of Education	524	19,739
	<u>524</u>	<u>19,739</u>
Total Assets	<u>\$ 13,421,185</u>	<u>\$ 57,469,394</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Deferred Inflows of Resources:		
Property Taxes Levied for Subsequent Year	\$ 11,866,157	\$ 11,604,997
Unavailable Revenue - Delinquent Taxes	116,626	131,753
Total Deferred Inflows of Resources	<u>11,982,783</u>	<u>11,736,750</u>
 Fund Balance:		
Reserved for Bond Refunding	-	43,321,155
Restricted for Debt Service	1,438,402	2,411,489
Total Fund Balance	<u>1,438,402</u>	<u>45,732,644</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 13,421,185</u>	<u>\$ 57,469,394</u>

**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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	2015		Over (Under) Final Budget	2014
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Tax	\$ 11,605,207	\$ 11,613,134	\$ 7,927	\$ 12,309,855
Earnings on Investments	30,000	56,605	26,605	16,349
Other	-	2,917	2,917	-
State Sources	-	5,244	5,244	197,323
Total Revenues	11635207	11677900	42693	12523527
<b>EXPENDITURES</b>				
Debt Service:				
Bond Principal	8,605,000	8,605,000	-	8,195,000
Bond Interest	6,843,542	6,843,542	-	5,401,122
Paying Agent Fees and other	4,050	3,600	(450)	181,932
Total Expenditures	15,452,592	15,452,142	(450)	13,778,054
Deficiency of Revenues Under Expenditures	(3,817,385)	(3,774,242)	43,143	(1,254,527)
<b>OTHER FINANCING SOURCES (USES)</b>				
Face Amount of Bonds Issued	-	-	-	39,195,000
Bond Premium	-	-	-	4,539,047
Payment to Refunded Bond Escrow Agent	(40,520,000)	(40,520,000)	-	-
Transfers In	-	-	-	75,047
Total Other Financing Uses	(40,520,000)	(40,520,000)	-	43,809,094
Net Change in Fund Balance	\$ (44,337,385)	(44,294,242)	\$ 43,143	42,554,567
Fund Balance - Beginning		45,732,644		3,178,077
Fund Balance - Ending		\$ 1,438,402		\$ 45,732,644

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
INTERNAL SERVICE FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2015**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	OPEB Revocable Trust	Self- Insurance Accounts	<u>Totals</u>	
			<u>2015</u>	<u>2014</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 6,159,649	\$ 5,650,839	\$ 11,810,488	\$ 10,375,855
Accounts Receivable	-	11,700	11,700	12,902
	<u>6,159,649</u>	<u>5,662,539</u>	<u>11,822,188</u>	<u>10,388,757</u>
Total Assets				
<b>LIABILITIES AND NET POSITION</b>				
Liabilities:				
Claims Payable	-	1,721,200	1,721,200	1,361,872
Unearned Revenue	-	1,241,741	1,241,741	1,154,133
	<u>-</u>	<u>2,962,941</u>	<u>2,962,941</u>	<u>2,516,005</u>
Total Liabilities				
Net Position:				
Unrestricted	<u>\$ 6,159,649</u>	<u>\$ 2,699,598</u>	<u>\$ 8,859,247</u>	<u>\$ 7,872,752</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, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	OPEB Revocable Trust	Self- Insurance Accounts	Totals	
			2015	2014
<b>OPERATING REVENUES</b>				
Charges for Services:				
Contribution from General Fund	\$ 1,072,822	\$ 127,279	\$ 1,200,101	\$ 1,251,406
Health Insurance Premiums	-	10,081,929	10,081,929	9,632,266
Total Operating Revenues	1,072,822	10,209,208	11,282,030	10,883,672
<b>OPERATING EXPENSES</b>				
VEBA Contributions	-	43,541	43,541	67,777
Health Insurance Claim Payments	-	9,571,152	9,571,152	7,579,988
General Administration Fees	-	799,529	799,529	675,250
Total Operating Expenses	-	10,414,222	10,414,222	8,323,015
Operating Income	1,072,822	(205,014)	867,808	2,560,657
<b>NONOPERATING INCOME</b>				
Earnings on Investments	105,967	12,720	118,687	109,070
Change in Net Position	1,178,789	(192,294)	986,495	2,669,727
Net Position - Beginning	4,980,860	2,891,892	7,872,752	5,203,025
Net Position - Ending	\$ 6,159,649	\$ 2,699,598	\$ 8,859,247	\$ 7,872,752



**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF FUND CASH FLOWS  
YEAR ENDED JUNE 30, 2015  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2014)**

	OPEB Revocable Trust	Self- Insurance Accounts	Totals	
			2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Health Insurance Premiums	\$ -	\$ 10,170,739	\$ 10,170,739	\$ 9,689,859
OPEB Contributions	1,072,822	127,279	1,200,101	1,251,406
Payments for Administrative Costs	-	(799,529)	(799,529)	(675,250)
Payments for Medical Fees and Insurance Claims	-	(9,211,824)	(9,211,824)	(7,672,703)
Payments to Employee VEBA Accounts	-	(43,541)	(43,541)	(67,777)
Net Cash Provided by Operating Activities	1,072,822	243,124	1,315,946	2,525,535
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	105,967	12,720	118,687	109,070
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,178,789	255,844	1,434,633	2,634,605
Cash and Cash Equivalents - Beginning	4,980,860	5,394,995	10,375,855	7,741,250
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	\$ 6,159,649	\$ 5,650,839	\$ 11,810,488	\$ 10,375,855
Displayed on Combining Statement of Net Position as:				
Cash and Investments	\$ 6,159,649	\$ 5,650,839	\$ 11,810,488	\$ 10,375,855
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income	\$ 1,072,822	\$ (205,014)	\$ 867,808	\$ 2,560,657
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
(Increase) Decrease in Accounts Receivable	-	1,202	1,202	(830)
(Increase) Decrease in Claims Payable	-	359,328	359,328	(92,715)
Increase in Unearned Revenue	-	87,608	87,608	58,423
Total Adjustments	-	448,138	448,138	(35,122)
Net Cash Provided by Operating Activities	\$ 1,072,822	\$ 243,124	\$ 1,315,946	\$ 2,525,535

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
YEAR ENDED JUNE 30, 2015**

	AUDIT	UFARS	Difference
<b>01 GENERAL FUND</b>			
Total Revenue	\$ 77,254,254	\$ 77,254,251	\$ 3
Total Expenditures	\$ 78,943,384	\$ 78,943,384	\$ -
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ 339,077	\$ 339,077	\$ -
<i>Restricted/Reserved:</i>			
403 Staff Development	\$ 102,109	\$ 102,109	\$ -
405 Deferred Maintenance	\$ 34,355	\$ 34,355	\$ -
406 Health & Safety	\$ (457,611)	\$ (457,611)	\$ -
407 Capital Project Levy	\$ -	\$ -	\$ -
408 Cooperative Programs	\$ -	\$ -	\$ -
411 Severance Pay	\$ -	\$ -	\$ -
413 Project Funded by COP	\$ -	\$ -	\$ -
414 Operating Debt	\$ -	\$ -	\$ -
416 Levy Reduction	\$ -	\$ -	\$ -
417 Taconite Building Maint	\$ -	\$ -	\$ -
423 Certain Teacher Programs	\$ -	\$ -	\$ -
424 Operating Capital	\$ 1,780,186	\$ 1,780,186	\$ -
426 \$25 Taconite	\$ -	\$ -	\$ -
427 Disabled Accessibility	\$ -	\$ -	\$ -
428 Learning & Development	\$ -	\$ -	\$ -
434 Area Learning Center	\$ -	\$ -	\$ -
435 Contracted Alt. Programs	\$ -	\$ -	\$ -
436 State Approved Alt. Program	\$ -	\$ -	\$ -
438 Gifted & Talented	\$ -	\$ -	\$ -
441 Basic Skills Programs	\$ -	\$ -	\$ -
445 Career and Technical Programs	\$ -	\$ -	\$ -
446 First Grade Preparedness	\$ -	\$ -	\$ -
449 Safe Schools Crime	\$ 125,303	\$ 125,303	\$ -
450 Prekindergarten	\$ -	\$ -	\$ -
451 QZAB Payments	\$ -	\$ -	\$ -
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -
453 Unfunded Sev & Retirement Levy	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Restricted Fund Balance	\$ -	\$ -	\$ -
<i>Committed:</i>			
418 Committed for Separation	\$ -	\$ -	\$ -
461 Committed Fund Balance	\$ -	\$ -	\$ -
<i>Assigned:</i>			
462 Assigned Fund Balance	\$ 3,788,540	\$ 3,788,540	\$ -
<i>Unassigned:</i>			
422 Unassigned Fund Balance	\$ 5,559,364	\$ 5,559,362	\$ 2
<b>02 FOOD SERVICE</b>			
Total Revenue	\$ 3,784,310	\$ 3,784,312	\$ (2)
Total Expenditures	\$ 3,779,723	\$ 3,779,722	\$ 1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ 55,507	\$ 55,507	\$ -
<i>Restricted:</i>			
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -
464 Restricted Fund Balance	\$ 528,409	\$ 528,409	\$ -
<i>Unassigned:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -
<b>04 COMMUNITY SERVICE</b>			
Total Revenue	\$ 5,002,729	\$ 5,002,726	\$ 3
Total Expenditures	\$ 4,774,965	\$ 4,774,964	\$ 1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ 19,561	\$ 19,561	\$ -
<i>Restricted/Reserved:</i>			
426 \$25 Taconite	\$ -	\$ -	\$ -
431 Community Education	\$ 1,153,519	\$ 1,153,519	\$ -
432 E.C.F.E.	\$ 187,340	\$ 187,340	\$ -
444 School Readiness	\$ 46,968	\$ 46,968	\$ -
447 Adult Basic Education	\$ 1,405	\$ 1,405	\$ -
452 OPEB Liab Not In Trust	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Restricted Fund Balance	\$ 8,613	\$ 8,612	\$ 1
<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, 2015**

	AUDIT	UFARS	Difference
<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$ 11,918	\$ 11,918	\$ -
Total Expenditures	\$ 10,828,429	\$ 10,828,427	\$ 2
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
<i>Restricted/Reserved:</i>			
407 Capital Projects Levy	\$ -	\$ -	\$ -
409 Alternative Facility Program	\$ 142,095	\$ 142,096	\$ (1)
413 Project Funded by COP	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Restricted Fund Balance	\$ -	\$ -	\$ -
<i>Unassigned:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -
<b>07 DEBT SERVICE</b>			
Total Revenue	\$ 11,677,900	\$ 11,677,900	\$ -
Total Expenditures	\$ 15,452,142	\$ 15,452,142	\$ -
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
<i>Restricted/Reserved:</i>			
425 Bond Refundings	\$ -	\$ -	\$ -
451 QZAB Payments	\$ -	\$ -	\$ -
<i>Restricted:</i>			
464 Restricted Fund Balance	\$ 1,438,402	\$ 1,438,401	\$ 1
<i>Unassigned:</i>			
463 Unassigned Fund Balance	\$ -	\$ -	\$ -
<b>08 TRUST</b>			
Total Revenue	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
<i>Net Position:</i>			
422 Net Position	\$ -	\$ -	\$ -
<b>20 INTERNAL SERVICE</b>			
Total Revenue	\$ 10,221,928	\$ 10,221,928	\$ -
Total Expenditures	\$ 10,414,222	\$ 10,414,222	\$ -
<i>Net Position:</i>			
422 Net Position	\$ 2,699,598	\$ 2,699,599	\$ (1)
<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	\$ 1,178,789	\$ 1,178,789	\$ -
Total Expenditures	\$ -	\$ -	\$ -
<i>Net Position:</i>			
422 Net Position	\$ 6,159,649	\$ 6,159,649	\$ -
<b>45 OPEB IRREVOCABLE TRUST</b>			
Total Revenue	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
<i>Net Position:</i>			
422 Net Position	\$ -	\$ -	\$ -
<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	\$ -	\$ -	\$ -
<i>Restricted:</i>			
425 Bond Refundings	\$ -	\$ -	\$ -
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>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	105
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	113
<b>Debt Capacity</b>	
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.	120
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	125
<b>Operating Information</b>	
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.	127

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

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

	Fiscal Year			
	2006	2007	2008	2009
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 18,008,502	\$ 13,913,173	\$ 15,480,727	\$ 17,631,789
Restricted for:				
General Fund Operating Capital Purposes	-	-	559,576	858,095
General Fund State-Mandated Reserves	-	-	-	381,995
Food Service	-	-	385,964	448,536
Community Service	-	-	876,649	755,799
Debt Service	-	-	-	-
Other Purposes	812,968	730,895	-	-
Unrestricted	<u>(3,421,352)</u>	<u>(3,212,409)</u>	<u>(5,071,339)</u>	<u>154,579</u>
Total Governmental Activities Net Position	<u>\$ 15,400,118</u>	<u>\$ 11,431,659</u>	<u>\$ 12,231,577</u>	<u>\$ 20,230,793</u>

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

Fiscal Year

2010	2011	2012	2013	2014	2015
\$ 19,217,014	\$ 23,048,414	\$ 25,168,372	\$ 28,232,974	\$ 30,340,820	\$ 39,239,879
891,387	1,591,619	2,223,913	2,460,437	2,932,782	1,780,186
256,295	353,998	239,249	403,943	(177,310)	261,767
390,073	390,919	405,545	482,038	579,329	583,916
774,838	994,221	1,344,738	1,254,338	1,195,796	1,423,083
-	-	45,625	1,235,718	-	-
-	-	-	-	-	-
3,147,277	5,882,449	11,184,806	12,771,512	14,832,471	(30,399,506)
<u>\$ 24,676,884</u>	<u>\$ 32,261,620</u>	<u>\$ 40,612,248</u>	<u>\$ 46,840,960</u>	<u>\$ 49,703,888</u>	<u>\$ 12,889,325</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			
	2006	2007	2008	2009
<b>Expenses</b>				
Governmental Activities:				
Administration	\$ 1,673,761	\$ 2,185,617	\$ 2,457,868	\$ 2,320,553
District Support Services	1,423,483	1,114,426	1,266,148	1,245,127
Regular Instruction	24,254,226	24,381,769	28,912,657	26,098,635
Vocational Education Instruction	860,604	1,005,493	1,140,242	926,632
Special Education Instruction	9,686,228	9,839,641	10,623,461	8,413,282
Instructional Support Services	4,162,012	4,756,328	4,365,298	5,068,251
Pupil Support Services	7,105,280	4,966,667	5,267,158	4,903,394
Sites and Buildings	6,460,283	6,489,189	8,152,016	7,591,794
Fiscal and Other Fixed Cost Programs	254,622	329,064	232,046	239,849
Food Service	-	2,717,024	3,043,715	3,133,853
Community Service	2,896,880	3,525,567	3,720,748	3,874,301
Unallocated Depreciation	-	2,913,601	-	-
Interest and Fiscal Charges on Long-Term Liabilities	7,231,189	7,423,865	7,791,564	7,387,847
Total Governmental Activities Expenses	<u>66,008,568</u>	<u>71,648,251</u>	<u>76,972,921</u>	<u>71,203,518</u>
<b>Program Revenues</b>				
Governmental Activities:				
Administration	-	-	-	-
District Support Services	-	-	6,230	10,141
Regular Instruction	2,234,951	2,497,427	967,299	1,388,555
Vocational Education Instruction	35,926	35,103	-	7,265
Special Education Instruction	4,268,579	5,326,067	6,466,480	4,377,584
Instructional Support Services	4,056	17,062	750,647	819,411
Pupil Support Services	2,566,185	320,507	350,844	643,462
Sites and Buildings	1,069,764	705,695	558,727	2,002,146
Food Service	-	2,717,514	2,950,529	3,063,770
Community Service	2,341,470	2,917,065	3,230,151	3,289,243
Total Governmental Activities Program Revenues	<u>12,520,931</u>	<u>14,536,440</u>	<u>15,280,907</u>	<u>15,601,577</u>
<b>Net Governmental Activities (Expense) Revenue</b>	(53,487,637)	(57,111,811)	(61,692,014)	(55,601,941)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes:				
General Purpose	4,544,684	8,604,732	9,235,075	9,498,108
Community Service	269,996	534,664	548,520	491,141
Debt Service	7,550,345	10,381,274	11,863,320	12,922,611
State and Federal Aid Not Restricted to Specific Purposes	37,162,131	36,957,590	40,352,512	39,060,883
Earnings on Investments	2,280,052	2,377,260	2,630,960	1,466,805
Miscellaneous	1,244,968	339,932	375,637	432,809
Total General Revenues	<u>53,052,176</u>	<u>59,195,452</u>	<u>65,006,024</u>	<u>63,872,357</u>
<b>Change in Net Position</b>	(435,461)	2,083,641	3,314,010	8,270,416
Net Position - Beginning, as Previously Stated	15,835,579	15,400,118	11,431,659	12,231,577
Prior Period Adjustment	-	(6,052,100)	(2,514,092)	(271,200)
Net Position - Beginning, as Restated	<u>15,835,579</u>	<u>9,348,018</u>	<u>8,917,567</u>	<u>11,960,377</u>
Net Position - Ending	<u>\$ 15,400,118</u>	<u>\$ 11,431,659</u>	<u>\$ 12,231,577</u>	<u>\$ 20,230,793</u>

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



Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 2,450,511	\$ 2,535,757	\$ 2,509,959	\$ 2,539,802	\$ 2,638,630	\$ 3,006,654
1,200,198	1,172,491	1,184,152	1,304,980	1,282,023	3,412,459
31,604,628	32,697,354	31,464,850	31,871,947	34,807,847	34,882,433
1,089,528	649,824	586,156	585,877	575,454	661,684
10,785,336	11,080,549	10,574,389	12,446,264	12,770,461	13,731,316
4,941,331	4,570,384	5,280,430	5,830,014	5,728,525	4,627,197
5,359,399	5,113,766	5,112,669	5,547,011	5,451,326	5,872,964
7,301,329	6,555,220	6,311,463	8,026,129	10,862,310	8,720,729
213,604	209,054	221,525	214,070	245,674	284,226
3,336,223	3,293,510	3,400,739	3,535,957	3,657,662	3,833,698
4,246,523	4,381,322	4,554,373	5,095,133	5,184,565	4,741,489
-	-	-	-	-	-
7,496,377	5,749,186	6,848,757	4,857,587	6,321,276	5,524,589
<u>80,024,987</u>	<u>78,008,417</u>	<u>78,049,462</u>	<u>81,854,771</u>	<u>89,525,753</u>	<u>89,299,438</u>
-	-	500	-	-	-
16,873	25,111	12,560	22,480	32,455	24,765
1,478,145	2,023,308	1,404,342	2,041,611	2,416,789	2,283,204
-	-	-	-	37,555	45,283
5,808,217	5,642,079	6,750,623	7,091,925	7,468,190	8,120,522
2,275	128,085	-	-	-	-
691,884	642,916	1,308,122	1,649,798	945,836	597,264
1,602,345	864,040	2,690,482	818,455	667,632	1,232,924
3,179,857	3,200,620	3,312,031	3,494,017	3,681,974	3,783,649
3,650,969	3,925,841	4,205,863	4,348,526	4,404,263	4,316,030
<u>16,430,565</u>	<u>16,452,000</u>	<u>19,684,523</u>	<u>19,466,812</u>	<u>19,654,694</u>	<u>20,403,641</u>
(63,594,422)	(61,556,417)	(58,364,939)	(62,387,959)	(69,871,059)	(68,895,797)
11,654,648	16,806,696	12,152,473	12,500,473	7,482,156	13,056,857
502,036	850,798	603,009	593,366	299,563	625,969
13,600,548	13,622,535	12,778,099	12,276,100	12,323,594	11,598,007
41,260,442	37,512,639	40,778,188	42,786,447	52,023,850	51,286,812
774,674	67,234	155,832	148,994	162,345	203,237
248,165	281,251	247,966	311,291	442,479	753,069
<u>68,040,513</u>	<u>69,141,153</u>	<u>66,715,567</u>	<u>68,616,671</u>	<u>72,733,987</u>	<u>77,523,951</u>
4,446,091	7,584,736	8,350,628	6,228,712	2,862,928	8,628,154
20,230,793	24,676,884	32,261,620	40,612,248	46,840,960	49,703,888
-	-	-	-	-	(45,442,717)
<u>20,230,793</u>	<u>24,676,884</u>	<u>32,261,620</u>	<u>40,612,248</u>	<u>46,840,960</u>	<u>4,261,171</u>
<u>\$ 24,676,884</u>	<u>\$ 32,261,620</u>	<u>\$ 40,612,248</u>	<u>\$ 46,840,960</u>	<u>\$ 49,703,888</u>	<u>\$ 12,889,325</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			
	2006	2007	2008	2009
<b>General Fund</b>				
Reserved:				
Deferred Maintenance	\$ -	\$ -	\$ 168,820	\$ 42,079
Graduation Standards - Gifted and Talented	-	-	-	97
Health and Safety	(118,463)	(256,244)	(151,151)	30,092
Operating Capital	160,360	212,453	559,576	858,095
Staff Development	31,870	128,613	-	200,752
Safe Schools	-	12,045	-	-
Learning and Development	2,321	-	-	-
Unreserved:				
Designated for Redtail Ridge	-	-	-	407,380
Designated for Site Carryover	-	-	375,909	470,758
Designated for 50% Federal Special Education Stimulus	-	-	-	-
Designated for 2010-2011 Class Size Reduction	-	-	-	-
Undesignated	(638,561)	(993,850)	158,091	925,789
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	(562,473)	(896,983)	1,111,245	2,935,042
<b>All Other Governmental Funds</b>				
Reserved Reported in:				
Community Service Fund:				
Community Education Programs	691,154	594,600	795,179	683,725
Early Childhood and Family Education Programs	22,573	22,550	39,543	38,226
School Readiness	23,153	13,396	8,624	17,666
Bond Refundings	-	30,413,865	30,255,634	30,264,105
Building Construction	26,313,546	20,951,291	7,176,725	3,551,955
Debt Service	1,704,415	1,407,836	-	-
Unreserved Reported in:				
Debt Service Fund	-	-	1,416,739	1,808,720
Special Revenue Funds	394,795	387,510	419,267	464,718
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Total All Other Governmental Funds	29,149,636	53,791,048	40,111,711	36,829,115
Total Fund Balance, as Previously Reported	28,587,163	52,894,065	41,222,956	39,764,157
Prior Period Adjustment	-	-	-	(271,200)
Total Fund Balance, as Restated	<u>\$ 28,587,163</u>	<u>\$ 52,894,065</u>	<u>\$ 41,222,956</u>	<u>\$ 39,492,957</u>

**Source:** Data is taken from the District's annual financial reports and the MN Dept. of Education website.

**Note:** The changes in fiscal year 2010 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						
2010	2011	2012	2013	2014	2015	
\$ 56,398	\$ -	\$ -	\$ -	\$ -	\$ -	
39,734	-	-	-	-	-	
(64,692)	-	-	-	-	-	
891,387	-	-	-	-	-	
169,836	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
307,380	-	-	-	-	-	
660,563	-	-	-	-	-	
701,500	-	-	-	-	-	
350,000	-	-	-	-	-	
1,543,568	-	-	-	-	-	
-	234,241	343,268	454,439	427,131	339,077	
-	1,952,422	2,638,367	2,864,380	2,755,472	2,041,953	
-	4,199,715	4,481,225	4,858,093	4,281,994	3,788,540	
-	993,868	3,906,828	4,639,768	5,476,712	5,101,753	
<u>4,655,674</u>	<u>7,380,246</u>	<u>11,369,688</u>	<u>12,816,680</u>	<u>12,941,309</u>	<u>11,271,323</u>	
605,455	-	-	-	-	-	
117,867	-	-	-	-	-	
33,414	-	-	-	-	-	
-	-	-	-	-	-	
2,056,690	-	-	-	-	-	
-	-	-	-	-	-	
1,910,156	-	-	-	-	-	
408,175	-	-	-	-	-	
-	53,908	53,680	36,948	49,599	75,068	
-	4,576,738	24,817,547	20,392,279	58,410,622	3,506,751	
<u>5,131,757</u>	<u>4,630,646</u>	<u>24,871,227</u>	<u>20,429,227</u>	<u>58,460,221</u>	<u>3,581,819</u>	
9,787,431	12,010,892	36,240,915	33,245,907	71,401,530	14,853,142	
-	-	-	-	-	-	
<u>\$ 9,787,431</u>	<u>\$ 12,010,892</u>	<u>\$ 36,240,915</u>	<u>\$ 33,245,907</u>	<u>\$ 71,401,530</u>	<u>\$ 14,853,142</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			
	2006	2007	2008	2009
<b>Revenues</b>				
Local Sources:				
Property Taxes	\$ 12,355,226	\$ 19,485,585	\$ 21,498,107	\$ 22,791,080
Earnings on Investments	2,280,052	2,377,260	2,630,960	1,466,805
Other	2,925,104	4,118,635	6,211,709	6,364,242
State Sources	44,710,125	44,698,377	48,100,628	46,922,230
Federal Sources	1,333,319	713,608	1,695,874	1,808,797
Sales and Other Conversion of Assets	1,959,390	2,288,342	-	-
Total Revenues	<u>65,563,216</u>	<u>73,681,807</u>	<u>80,137,278</u>	<u>79,353,154</u>
<b>Expenditures</b>				
Current:				
Administration	1,599,473	2,174,882	2,349,193	2,348,936
District Support Services	1,365,902	1,101,685	1,114,347	1,180,872
Regular Instruction	23,020,250	24,638,087	25,541,003	26,186,941
Vocational Education Instruction	805,365	995,078	1,140,242	1,004,953
Special Education Instruction	9,250,921	9,737,527	10,489,553	8,894,180
Instructional Support Services	3,996,796	4,778,487	4,236,394	4,760,179
Pupil Support Services	6,825,351	4,915,220	5,259,037	5,019,368
Sites, Buildings and Equipment	34,470,216	4,865,829	5,161,002	4,863,356
Fiscal and Other Fixed Cost Programs	10,614,067	461,814	232,046	239,849
Food Service	-	2,688,261	2,913,908	2,985,686
Community Service	2,782,751	3,487,521	3,701,412	3,971,797
Capital Outlay	-	20,251,739	15,822,375	5,009,285
Debt Service:				
Principal	-	4,520,000	5,205,000	5,910,000
Interest and Fiscal Charges	-	6,853,389	8,643,720	8,165,351
Total Expenditures	<u>94,731,092</u>	<u>91,469,519</u>	<u>91,809,232</u>	<u>80,540,753</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,167,876)	(17,787,712)	(11,671,954)	(1,187,599)
<b>Other Financing Sources (Uses)</b>				
Capital Improvement Loan Proceeds	-	-	-	-
Proceeds from Sale of Equipment	92	1,309	845	-
Bond Issuance	-	41,535,000	-	-
Proceeds of Refunding Bond Issuance	-	-	-	-
Payment to Refunding Bond Escrow Agent	(18,345,000)	-	-	-
Capital Lease Proceeds	-	-	-	-
Operating Transfer In	-	-	-	-
Operating Transfer Out	-	-	-	-
Bond Premium	-	558,305	-	-
Total Other Financing Sources (Uses)	<u>(18,344,908)</u>	<u>42,094,614</u>	<u>845</u>	<u>-</u>
Prior Period Adjustment	-	-	-	(271,200)
Net Change in Fund Balances	<u>\$ (47,512,784)</u>	<u>\$ 24,306,902</u>	<u>\$ (11,671,109)</u>	<u>\$ (1,458,799)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.0%	16.0%	18.2%	18.6%

**Note:** Prior to 2007 capital outlay was included under program areas in current expenditures.

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

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 25,512,939	\$ 31,377,154	\$ 25,783,156	\$ 25,437,661	\$ 20,074,801	\$ 25,303,195	
774,674	30,957	101,038	55,585	53,275	84,550	
6,842,080	7,053,403	7,363,674	7,869,903	8,362,656	8,441,102	
44,576,003	43,891,829	50,842,163	52,460,460	61,607,587	61,886,855	
6,521,089	3,300,658	2,504,840	2,234,187	2,150,780	2,015,409	
-	-	-	-	-	-	
<u>84,226,785</u>	<u>85,654,001</u>	<u>86,594,871</u>	<u>88,057,796</u>	<u>92,249,099</u>	<u>97,731,111</u>	
2,444,355	2,547,644	2,535,087	2,565,950	2,833,719	3,055,111	
1,136,646	1,097,056	1,121,383	1,254,200	1,295,669	2,858,468	
28,168,369	29,325,758	28,259,011	28,627,105	32,789,161	36,427,518	
1,092,029	640,500	586,156	585,877	575,454	665,893	
10,719,741	11,249,103	11,447,631	12,525,730	13,287,188	13,912,768	
4,828,927	4,468,731	4,836,950	5,130,144	5,297,931	4,528,930	
5,363,719	5,115,598	5,126,464	5,566,546	5,539,546	5,872,939	
5,015,473	4,860,360	4,729,465	6,646,224	5,403,969	5,307,435	
213,604	209,054	221,525	214,070	245,674	284,226	
3,213,120	3,152,511	3,263,962	3,401,848	3,507,316	3,750,933	
4,158,902	4,339,786	4,512,173	5,019,746	5,187,145	4,743,472	
3,122,352	2,470,899	3,133,573	5,769,484	22,474,291	16,073,550	
7,060,000	7,930,000	6,970,000	6,990,000	8,224,303	8,993,067	
7,926,274	6,023,540	6,977,268	5,767,520	5,600,179	7,304,333	
<u>84,463,511</u>	<u>83,430,540</u>	<u>83,720,648</u>	<u>90,064,444</u>	<u>112,261,545</u>	<u>113,778,643</u>	
(236,726)	2,223,461	2,874,223	(2,006,648)	(20,012,446)	(16,047,532)	
-	-	-	547,305	-	-	
-	-	-	-	-	19,144	
-	-	12,225,000	17,880,000	42,400,000	-	
-	-	-	-	-	-	
(29,740,000)	-	(15,885,000)	(19,750,000)	-	(40,520,000)	
-	-	-	-	11,170,000	-	
-	-	-	400,877	75,047	-	
-	-	-	(400,877)	(75,047)	-	
-	-	540,394	334,335	4,598,069	-	
<u>(29,740,000)</u>	<u>-</u>	<u>(3,119,606)</u>	<u>(988,360)</u>	<u>58,168,069</u>	<u>(40,500,856)</u>	
-	-	24,475,406	-	-	-	
<u>\$ (29,976,726)</u>	<u>\$ 2,223,461</u>	<u>\$ 24,230,023</u>	<u>\$ (2,995,008)</u>	<u>\$ 38,155,623</u>	<u>\$ (56,548,388)</u>	
18.4%	17.2%	17.3%	15.1%	15.4%	16.7%	

**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	
	Agricultural	Non-Agricultural	Contribution Value	Distribution Value
2006	\$ 640,305	\$ 37,495,899	\$ (1,092,172)	\$ 3,111,503
2007	694,947	42,683,233	(1,296,936)	3,374,098
2008	760,702	47,195,871	(1,497,124)	3,791,574
2009	830,513	50,172,774	(1,777,782)	4,347,396
2010	537,069	48,471,205	(1,996,593)	4,822,699
2011	511,974	46,542,493	(2,083,840)	4,881,998
2012	500,611	44,185,480	(2,009,246)	4,251,057
2013	495,974	41,599,508	(1,949,749)	4,001,667
2014	540,763	42,942,854	(1,910,156)	3,895,580
2015	572,038	46,428,144	(1,884,660)	4,046,085

**Source:** School Tax Report from County Auditor's Office

<u>Tax Increment Valuation</u>	<u>Taxable Valuation</u>
\$ (703,441)	\$ 39,452,094
(702,085)	44,753,257
(855,772)	49,395,251
(603,913)	52,968,988
(600,610)	51,233,770
(472,418)	49,380,207
(449,119)	46,478,783
(434,191)	43,713,209
(431,266)	45,037,775
(441,042)	48,720,565

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

<u>Tax Year</u>	<u>ISD No. 719 Direct Rate (1)</u>				<u>Overlapping Rates</u>		
	<u>General Fund</u>	<u>Community Service Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Scott County</u>	<u>City of Prior Lake</u>	<u>City of Savage</u>
2006	4.43	1.41	27.47	33.31	34.107	31.305	46.489
2007	4.28	1.25	27.12	32.65	33.140	28.435	50.155
2008	3.98	1.01	26.55	31.54	32.646	28.064	48.356
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

**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

<u>Credit River Township</u>	<u>Sand Creek Township</u>	<u>Spring Lake Township</u>	<u>PL-Spring Lake Watershed District</u>	<u>Scott County CDA</u>	<u>Prior Lake EDA</u>	<u>Metropolitan Council</u>	<u>Total Direct and Overlapping Tax Rate</u>
9.660	14.867	11.630	2.809	1.351	-	0.872	186.400
9.949	14.287	11.368	2.421	1.525	-	0.862	184.792
-	-	-	1.951	1.642	-	0.820	145.019
-	-	-	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	158.525

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
PRINCIPAL PROPERTY TAXPAYERS  
2013 AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	2015			2006		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
Bre Retail Residual Owner 4 LLC	\$ 291,785	1	0.65%	\$ -	-	-
Shepherd's Path Senior Housing	283,020	2	0.63%	-	-	-
Target Corporation	281,250	3	0.63%	273,216	1	0.61%
Centerpoint Energy Resource	238,131	4	0.53%	135,338	4	0.30%
Savage Station LLC	224,500	5	0.50%	-	-	-
Keystone Com of PL LLC	156,250	6	0.35%	-	-	-
Bealmake Partners LLC & Attn Bernard D Paul	156,014	7	0.35%	-	-	-
Lifetime Fitness	124,250	8	0.28%	-	-	-
Savage Medical Building LLC	123,250	9	0.28%	-	-	-
Northern States Power Co	115,016	10	0.26%	-	-	-
Bradley Operating LP & C/O Heritage Prop Invest Trust	-	-	-	248,990	2	0.55%
Prudential Insurance Co	0	-	-	170324	3	0.38%
Savage, City of	-	-	-	133,935	5	0.30%
Restan LLC	0	-	-	122400	6	0.27%
Minnesota Valley Electric Coop.	0	-	-	102551	7	0.23%
Deerfield Development LLC	0	-	-	80522	8	0.18%
4-L Ventures LLC	0	-	-	70254	9	0.16%
Rio Bravo LLC	0	-	-	68008	10	0.15%
Total	1993466		4.46%	1405538		3.12%

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

**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				Property Credits/Aids and Adjustments	Adjusted Tax Levy
	General Fund	Community Service Fund	Debt Service Fund	Total Tax Levy (1)		
2006	\$ 8,399,848	\$ 554,329	\$ 10,771,178	\$ 19,725,355	\$ 478,179	\$ 19,247,176
2007	9,073,611	564,844	12,248,662	21,887,117	433,938	21,453,179
2008	9,654,981	501,335	13,251,543	23,407,859	397,009	23,010,850
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

**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		
\$ 19,018,904	98.8%	\$ 228,272	\$ 19,247,176	100.0%	\$ -	0.0%
21,052,315	98.1%	400,864	21,453,179	100.0%	-	0.0%
22,549,096	98.0%	461,754	23,010,850	100.0%	-	0.0%
12,494,369	48.8%	13,094,111	25,588,480	100.0%	12,425	0.0%
11,050,980	43.2%	14,505,527	25,556,507	100.0%	5,777	0.0%
12,584,005	49.8%	12,681,943	25,265,948	99.9%	16,633	0.1%
12,722,420	50.4%	12,481,618	25,204,038	99.9%	28,454	0.1%
12,673,465	50.3%	12,446,807	25,120,272	99.7%	75,667	0.3%
12,808,146	50.7%	12,372,247	25,180,393	99.6%	103,405	0.4%
12,641,912	49.2%	13,041,305	25,683,217	100.0%	-	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	Per Capita
	General Obligation Bonds	Lease Purchase Payable			
				(1)	
2006	\$ 144,250,000	\$ 132,750	\$ 144,382,750	\$ -	\$ 3,098
2007	181,265,000	-	181,265,000	-	3,824
2008	176,060,000	-	176,060,000	-	3,538
2009	170,150,000	-	170,150,000	-	3,413
2010	133,335,000	-	133,335,000	-	2,567
2011	125,420,000	-	125,420,000	-	2,523
2012	136,490,000	-	136,490,000	-	2,712
2013	127,630,000	-	127,630,000	-	2,500
2014	122,640,000	-	122,640,000	-	2,284
2015	73,515,000	-	73,515,000	-	1,340

**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, 2014  
(UNAUDITED)**

	General Obligation Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Overlapping:</b>			
Scott County	\$ 82,585,000	31%	\$ 25,276,879
Cities:			
Prior Lake	33,640,000	97%	32,665,100
Savage	81,776,395	45%	36,723,367
Townships:			
Credit River	1,465,000	35%	515,685
Sand Creek	477,010	1%	5,062
Spring Lake	2,153,000	61%	1,318,441
Special Taxing Districts:			
Metropolitan Council	1,724,004,856	5%	86,200,243
Scott County CDA	40,945,000	31%	12,532,080
Prior Lake Spring Lake Watershed	1,080,000	72%	782,870
Total Overlapping			196,019,728
<b>Direct:</b>			
Prior Lake - Savage ISD No. 719	161,835,000	100%	161,835,000
Total Direct and Overlapping Bonded Debt:			\$ 357,854,728

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**Sources:** Data provided by Scott County as of December 31, 2014. 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			
	2006	2007	2008	2009
Debt Limit	\$ 548,991,030	\$ 621,604,860	\$ 680,930,145	\$ 713,423,190
Total Net Debt Applicable to Limit	<u>144,382,750</u>	<u>181,265,000</u>	<u>176,060,000</u>	<u>170,150,000</u>
Legal Debt Margin	<u>\$ 404,608,280</u>	<u>\$ 440,339,860</u>	<u>\$ 504,870,145</u>	<u>\$ 543,273,190</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.30%	29.16%	25.86%	23.85%

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

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed Value	\$ 4,386,951,300
Debt Limit (15% of Assessed Value)	658,042,695
Debt Applicable to Limit	<u>73,515,000</u>
Legal Debt Margin	<u><u>\$ 584,527,695</u></u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 671,669,775	\$ 657,162,840	\$ 624,215,400	\$ 587,192,010	\$ 607,831,200	\$ 658,042,695
<u>133,335,000</u>	<u>125,420,000</u>	<u>136,490,000</u>	<u>127,630,000</u>	<u>122,640,000</u>	<u>73,515,000</u>
<u><u>\$ 538,334,775</u></u>	<u><u>\$ 531,742,840</u></u>	<u><u>\$ 487,725,400</u></u>	<u><u>\$ 459,562,010</u></u>	<u><u>\$ 485,191,200</u></u>	<u><u>\$ 584,527,695</u></u>
19.85%	19.09%	21.87%	21.74%	20.18%	11.17%



**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
2006	\$ 144,250,000	\$ 1,704,415	\$ 142,545,585	\$ 3,659,940,200	3.89%	\$ 46,607	\$ 3,058
2007	181,265,000	31,821,701	149,443,299	4,144,032,400	3.61%	47,404	3,153
2008	176,060,000	31,672,372	144,387,628	4,539,534,300	3.18%	49,769	2,901
2009	170,150,000	32,072,824	138,077,176	4,756,154,600	2.90%	49,852	2,770
2010	133,335,000	1,910,156	131,424,844	4,477,799,500	2.94%	51,936	2,531
2011	125,420,000	2,069,139	123,350,861	4,305,849,300	2.86%	49,707	2,482
2012	136,490,000	36,240,915	100,249,085	4,245,859,800	2.36%	50,335	1,992
2013	127,630,000	33,245,907	94,384,093	4,016,674,700	2.35%	51,055	1,849
2014	122,640,000	45,732,644	76,907,356	4,143,601,000	1.86%	53,700	1,432
2015	73,515,000	1,438,402	72,076,598	4,456,780,100	1.62%	54,850	1,314

**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)
2006	21,542	25,065	-	-	6,338	-
2007	22,111	25,293	-	-	6,620	-
2008	22,917	26,852	-	-	6,824	-
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	-

**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 and the District's annual financial reports.

**PRIOR LAKE-SAVAGE AREA SCHOOLS  
INDEPENDENT SCHOOL DISTRICT NO. 719  
PRINCIPAL EMPLOYERS  
2013 AND NINE YEARS AGO  
(UNAUDITED)**

Employer	2013		2006	
	Employees	Rank	Employees	Rank
Shakopee Mdewakanton Sioux Community	4,500	1	5,000	1
I.S.D. No. 719 (Prior Lake-Savage)	959	2	928	2
Super Target	400	3	288	4
Continental Machines, Inc.	350	4		
Fabcon, Inc.	275	5		
Life Time Fitness Center	250	6	216	4
The Wild's	150	7	175	5
Cub Foods	100	8	-	-
Rainbow Foods	100	9	-	-
Village Market	100	10	-	-
<b>Total</b>	<b>7,184</b>		<b>6,607</b>	

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) 2013 information is the most recent information for the school district provided by the District's financial advisor Ehlers & Associates through a written and telephone survey (April 2013) and the Minnesota Department of Employment and Economic Development.
- (2) 2006 information for the school district provided by the District's financial advisor Ehlers & Associates through a written and telephone survey (May 2006), the 2006 Minnesota Business Directory and the 2006 Minnesota Manufacturers Register. Please note only 5 employers listed on the report.

**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,			
	2006	2007	2008	2009
<b><u>Licensed Positions</u></b>				
<b>Administrative Staff</b>				
Superintendent	1.0	1.0	1.0	1.0
Principals	8.0	9.0	8.5	9.0
Administrative Assistants	5.0	7.0	8.0	6.0
Supervisory Coordinator	1.0	1.0	1.0	1.0
Total Administrative Staff	<u>15.0</u>	<u>18.0</u>	<u>18.5</u>	<u>17.0</u>
<b>Support Service Staff</b>				
Other Non-Instructional Staff	13.1	10.6	7.1	8.5
Counselors	7.2	8.0	7.8	7.8
Media/Librarian	7.2	8.1	7.1	7.1
Nurse	3.0	3.0	3.0	3.0
Social Worker	8.0	8.5	8.5	8.5
Psychologists	2.6	2.6	3.0	3.0
Total Support Service Staff	<u>41.2</u>	<u>40.8</u>	<u>36.5</u>	<u>37.9</u>
<b>Special Education Teachers</b>				
Speech Language	7.4	9.9	11.6	13.2
Other Special Education Teacher	35.0	38.6	51.9	50.1
Total Special Education Teachers	<u>42.4</u>	<u>48.5</u>	<u>63.5</u>	<u>63.3</u>
<b>Classroom Teachers</b>				
K - 12 Teacher	302.1	310.4	312.6	304.6
Vocational Education Teacher	0.6	0.4	-	0.4
Pre-K, ECFE, and Other Teacher	7.2	10.9	12.8	14.1
Total Classroom Teachers	<u>309.9</u>	<u>321.7</u>	<u>325.5</u>	<u>319.1</u>
<b>Total Licensed Positions</b>	<u><u>408.4</u></u>	<u><u>429.1</u></u>	<u><u>443.9</u></u>	<u><u>437.2</u></u>

Source: Minnesota Department of Education STARS data.

Full-Time Equivalent Employees as of June 30,

2010	2011	2012	2013	2014	2015
1.0	1.0	1.0	1.0	1.0	1.0
10.0	10.0	10.0	10.0	10.0	9.0
6.0	6.0	6.0	6.0	6.0	6.0
1.0	1.0	1.0	1.0	1.0	3.0
<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>19.0</u>
8.0	7.9	8.4	11.5	23.4	23.0
7.8	7.8	7.8	8.8	9.0	10.0
7.6	6.3	6.3	6.4	6.3	7.0
4.0	4.0	4.0	5.0	5.0	5.0
10.5	10.5	10.5	10.1	10.5	10.4
4.0	4.0	4.0	4.0	5.0	5.0
<u>41.9</u>	<u>40.5</u>	<u>41.0</u>	<u>45.7</u>	<u>59.2</u>	<u>60.4</u>
13.6	13.6	13.6	12.6	13.0	14.1
45.2	45.5	44.1	46.7	48.0	51.5
<u>58.8</u>	<u>59.1</u>	<u>57.7</u>	<u>59.3</u>	<u>61.0</u>	<u>65.6</u>
297.1	289.1	269.4	277.5	291.1	304.4
0.4	0.4	-	-	-	0.2
18.5	18.5	20.0	20.0	23.0	24.0
<u>316.0</u>	<u>308.0</u>	<u>289.4</u>	<u>297.5</u>	<u>314.1</u>	<u>328.6</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>	<u><u>452.3</u></u>	<u><u>473.6</u></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
2006	6,338	\$ 94,731,092	\$ 14,947	40.70	352.2	18.0
2007	6,620	91,469,519	13,817	(7.56)	370.2	17.9
2008	6,824	91,809,232	13,453	(2.64)	388.9	17.5
2009	6,877	80,540,753	11,712	(12.95)	382.4	18.0
2010	6,975	84,463,511	12,109	3.40	374.9	18.6
2011	7,021	83,430,540	11,883	(1.87)	367.1	19.1
2012	7,112	83,720,648	11,772	(0.94)	347.1	20.5
2013	7,211	90,064,444	12,490	6.10	356.7	20.2
2014	7,402	112,261,545	15,166	21.43	375.1	19.7
2015	7,591	113,778,643	14,989	(1.17)	394.2	19.3

**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)**

School	Fiscal Year			
	2006	2007	2008	2009
<b>Elementary</b>				
Westwood (1963)				
Square feet	73,126	82,426	82,426	82,426
Capacity	710	630	630	630
Enrollment (1)	596.15	583.81	596.78	576.58
Five Hawks (1973)				
Square feet	67,940	67,940	67,940	67,940
Capacity	625	635	635	635
Enrollment (1)	706.19	566.57	558.30	580.96
Grainwood (1952)				
Square feet	67,385	72,835	72,835	72,835
Capacity	550	585	585	585
Enrollment (1)	562.29	445.57	500.26	491.30
Glendale (1997)				
Square feet	87,424	90,624	90,624	90,624
Capacity	680	680	680	680
Enrollment (1)	749.64	637.62	648.37	632.81
Jeffers Pond (2006)				
Square feet	-	90,011	90,011	90,011
Capacity	-	635	635	635
Enrollment (1)	-	590.91	647.65	651.22
Oakridge (1969) now Twin Oaks Middle				
Square feet	214,939	-	-	-
Capacity	650	-	-	-
Enrollment (1)	638.79	-	-	-
Redtail Ridge (2008)				
Square feet	-	-	90,011	90,011
Capacity	-	-	660	660
Enrollment (1)	-	-	-	-
<b>Middle</b>				
Hidden Oaks (1989)				
Square feet	166,230	166,230	184,310	184,310
Capacity	1,023	1,008	1,008	1,008
Enrollment (1)	944.74	865.46	902.37	876.71
Twin Oaks (1969)				
Square feet	-	214,939	214,939	214,939
Capacity	-	784	784	784
Enrollment (1)	-	604.91	676.69	740.57
<b>High</b>				
Prior Lake (2003)				
Square feet	354,635	354,635	354,635	354,635
Capacity	2,016	2,000	2,000	2,000
Enrollment (1)	1,712.78	1,837.06	1,927.36	1,964.07
<b>Other</b>				
Edgewood Kindergarten/ECFE Center (2006)				
Square feet	-	50,575	50,575	50,575
Capacity	-	360	360	360
Enrollment (1)	-	315.00	269.92	265.64
Ponds Edge Kindergarten (1994) now DSC				
Square feet	20,606	-	-	-
Capacity	320	-	-	-
Enrollment (1)	230.51	-	-	-
Administration District Service Center (1994)				
Square feet	-	20,606	20,606	20,606
<b>Total</b>				
Square feet	1,052,285	1,210,821	1,318,912	1,318,912
Capacity	6,574	7,317	7,977	7,977
Enrollment	6,141.09	6,446.91	6,727.70	6,779.86
<b>Athletics</b>				
Football fields	7	7	7	7
Soccer fields	8	8	8	8
Running tracks	2	2	2	2
Baseball/softball	14	14	14	14
Swimming pools	1	2	2	2
Playgrounds	9	9	9	9

**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					
2010	2011	2012	2013	2014	2015
82,426	82,426	82,426	82,426	82,426	82,426
630	630	630	630	630	630
435.49	450.34	455.53	494.80	530.95	566.55
67,940	67,940	67,940	67,940	67,940	67,940
635	635	635	635	635	635
445.33	444.56	468.76	481.95	525.31	572.36
72,835	72,835	72,835	72,835	72,835	72,835
585	585	585	585	585	585
384.90	383.28	361.25	345.06	337.61	334.42
90,624	90,624	90,624	90,624	90,624	90,624
680	680	680	680	680	680
603.32	585.09	598.68	565.81	567.92	579.34
90,011	90,011	90,011	90,011	90,011	90,011
635	635	635	635	635	635
563.03	539.45	501.70	502.85	492.73	512.68
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
90,011	90,011	90,011	90,011	90,011	90,011
660	660	660	660	660	660
527.14	524.82	533.19	564.54	609.08	651.31
184,310	184,310	184,310	184,310	184,310	184,310
1,008	1,008	1,008	1,008	1,008	1,008
907.82	908.87	928.60	906.81	908.19	916.13
214,939	214,939	214,939	214,939	214,939	214,939
784	784	784	784	784	784
734.51	737.42	788.33	810.13	831.97	857.83
354,635	354,635	354,635	354,635	354,635	387,635
2,000	2,000	2,000	2,000	2,000	2,250
2,051.30	2,135.84	2,150.26	2,219.04	2,269.74	2,344.81
50,575	50,575	50,575	50,575	50,575	50,575
360	360	360	360	360	360
216.68	193.31	195.79	203.43	207.45	111.98
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,606	20,606	20,606	20,606	20,606	20,606
1,318,912	1,318,912	1,318,912	1,318,912	1,318,912	1,351,912
7,977	7,977	7,977	7,977	7,977	8,587
6,869.52	6,902.98	6,982.09	7,094.42	7,280.95	7,447.41
7	7	7	7	7	7
10	10	10	10	10	10
2	2	2	2	2	2
16	16	16	16	16	16
2	2	2	2	2	2
10	10	10	10	10	10