

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year ending June 30th, 2019



## DISTRICT196

One District. Infinite Possibilities.

Rosemount-Apple Valley-Eagan Public Schools  
Rosemount, Minnesota

*Educating our students to reach their full potential*

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
ROSEMOUNT, MINNESOTA**

**YEAR ENDED JUNE 30, 2019**

**PREPARED BY THE  
FINANCE DEPARTMENT**

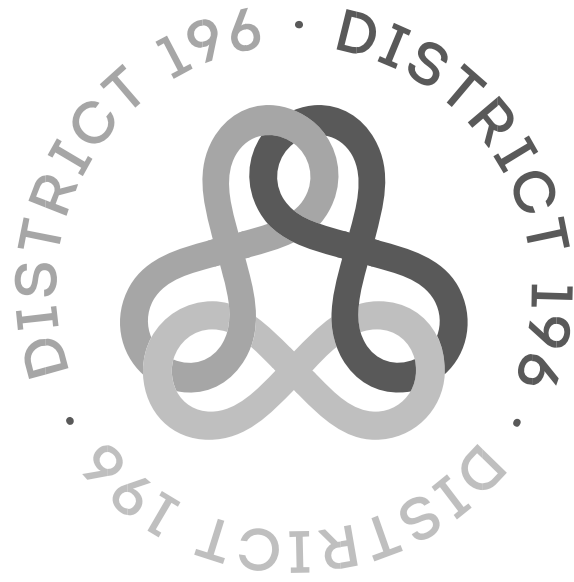
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MANAGER – FINANCIAL SYSTEMS / REPORTING / COMPLIANCE**





**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
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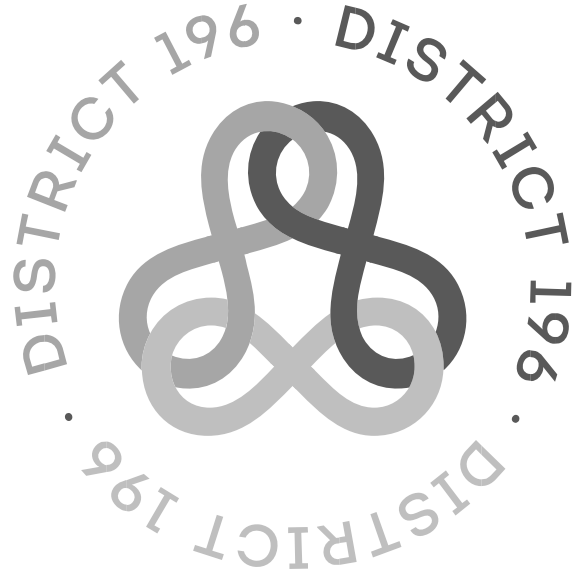
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## **INTRODUCTORY SECTION**



**Christopher Onyango-Robshaw**  
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December 6, 2019

To: Citizens of the School District  
Board of Education  
Employees of the School District

## INTRODUCTION

We are submitting the Comprehensive Annual Financial Report (CAFR) of Independent School District No. 196, Rosemount – Apple Valley – Eagan (the District) for the fiscal year ended June 30, 2019. This report fairly presents the District's financial position and results of operations and cash flows in accordance with accounting principles generally accepted in the United States of America. The District's administration accepts total responsibility for the accuracy, completeness, and fairness in presentation.

The District's financial statements have been audited by CliftonLarsonAllen LLP (CLA), a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

In addition to the independent audit of the District's financial statements, the District is required to undergo an annual Single Audit in conformity with the provisions of the Federal Single Audit Act Amendments of 1996 and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The District is also required to undergo an annual Minnesota State legal compliance audit under Minnesota Statutes § 6.65. The standards governing Single Audit engagements require the independent auditor to report on not only the fair presentation of the financial statements, but also the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued "Schedule of Expenditures of Federal Awards and Other Required Reports."

**DISTRICT196.ORG**

Rosemount-Apple Valley-Eagan Public Schools  
3455 153rd Street West • Rosemount, MN 55068

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

## **REPORT FORMAT**

The CAFR is presented in three sections:

- **Introductory Section** – The introductory section contains this transmittal letter, an organizational chart, a list of School Board members and the Superintendent's Cabinet members, a map of the District, and a copy of the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for the District's 2017–2018 CAFR.
- **Financial Section** – The financial section begins with the independent auditors' report. This section includes the MD&A; basic financial statements; required supplementary information; and combining and individual fund statements and schedules presented as supplementary information.
- **Statistical Section** – The statistical section, which is not audited, includes selected financial, demographic, and economic data, generally presented on a multi-year comparative basis.

## **REPORTING ENTITY AND ITS SERVICES**

The financial reporting entity includes all the funds of the primary government (the District). Component units are legally separate entities for which the District (primary government) is financially accountable. There are no organizations considered to be component units of the District.

The District was incorporated in 1950 and serves a portion of 10 suburban communities within Dakota County located on the southeastern edge of the Minneapolis/St. Paul metropolitan area. The District encompasses all or part of the communities of Apple Valley, Burnsville, Coates, Eagan, Empire Township, Farmington, Inver Grove Heights, Lakeville, Rosemount, and Vermillion Township.

### **Programs and Services**

The District provides a full range of public education services appropriate to grade levels ranging from pre-Kindergarten through Grade 12. These include regular and enriched academic education, special education for exceptional children, and career/vocational education. Food service and transportation are provided as supporting programs. The District's community education program includes early childhood family education and adult basic education programs, and a myriad of classes for lifelong learning experiences for children and adults.

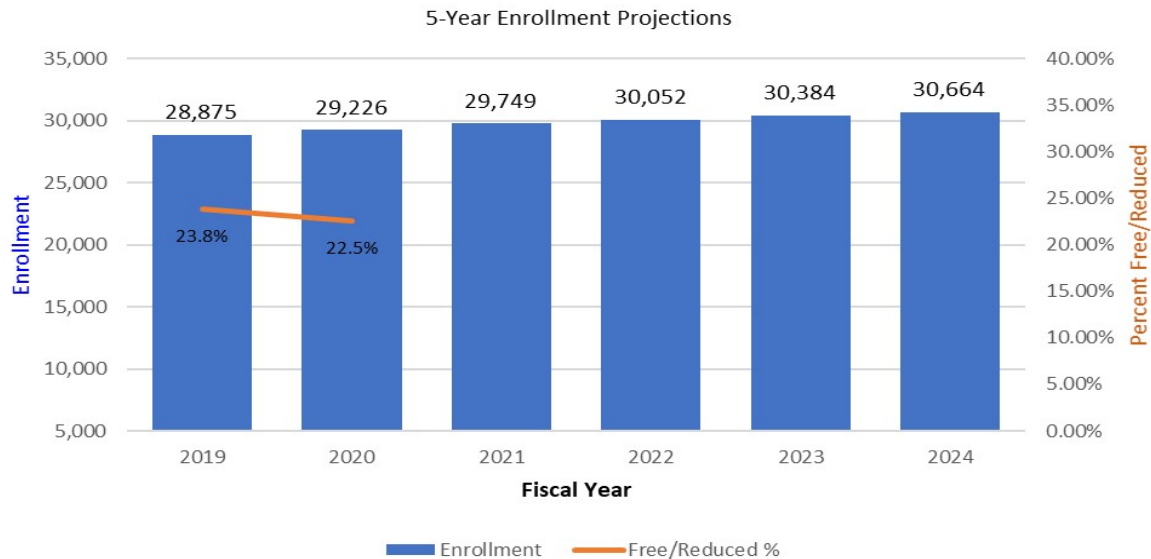
### **Student Enrollment**

The District enrolled 28,697 students (or average daily membership totaling 28,563) in 2018–2019 from a population of 153,051 people residing in a 108.6 square mile area. In terms of the number of students, the District is Minnesota's fourth largest school district.

The District has an increasingly diverse population of students with a variety of needs. For the 2018–2019 school year, 63 percent of our students were white, 12 percent of the District’s student population was black, students of Asian descent comprised 8 percent, Hispanic students totaled 10 percent, 1 percent were American Indian, and other races accounted for 6 percent.

In 2018–2019, 22.5 percent of our students qualified to receive free or reduced-price meals; this compared to a fall 2018 Minnesota average of 37.7 percent.

The District enrollment is projected to increase slightly over the next five years.



## District Schools and Facilities

During the 2018–2019 school year, the District operated 35 school buildings: an Early Childhood Learning Center, 4 comprehensive (Grades 9–12) high schools, 1 optional (Grades 11–12) high school, 6 middle schools (Grades 6–8), 19 elementary schools (kindergarten through Grade 5), 1 area learning center, 1 school (kindergarten through Grade 12) for students with special needs, and 2 learning centers dedicated to adult basic education and early childhood education students.

The average age of the District’s facilities is over 33 years; the District qualifies for Long Term Facilities Maintenance funding and has been able to keep up with routine repairs, maintenance, and other major improvements.

## LOCAL ECONOMIC CONDITION AND OUTLOOK

According to the Minnesota Department of Management and Budget, the economic data has been mostly positive. Minnesota’s overall economy has been somewhat affected by the fiscal policy fueled growth forecast to begin in 2018. The forecast GDP growth for 2019 was projected at 2.3 percent, in the released October report, which is down from the 2.4 percent forecast in the February outlook report. Generally, growth is expected to decelerate in the coming months into 2020.

According to the February forecast, job growth in the state has been showing signs of a slowdown. While unemployment has been at an all-time low 2.8 percent in 2018, the high job vacancies suggest employers having a hard time finding the right candidates to fill the positions.

The state's February 2019 budget forecast indicated a small reduction in anticipated revenue collections. The \$198 million (0.4 percent) reduction in revenues for fiscal year 2019, would result in a budgetary balance of \$563 million.

The state of Minnesota assumes major responsibility for funding public education. In the District, approximately 18 percent of our General Fund revenues are generated locally from property taxes, 76 percent from state aids, close to 3 percent from federal aids, and miscellaneous income made up the remaining 3 percent.

Reliance on the state for the majority of its operating revenues places the District in the position of being dependent on statewide economic conditions that drive state tax collections. The 2017 Legislature has provided some increase to the basic general education formula allowance and other categorical funding for the 2018-2019 school year. This funding level was again increased by the 2019 legislature for the coming biennium. Across the state, school boards and administrators continue to adjust instructional and related services delivery in an effort to maintain adequate programming buffeted by funding imbalances. The 2 percent formula allowance increase has not kept pace with general inflations and rising cost of providing quality education to all our students. The District will continue to respond to this challenge by curtailing expenditures when possible and is committed to engage staff and community members in future budget discussions and to consider other options for increasing revenues and containing growth.

## **DISTRICT MISSION AND STRATEGIC PLAN**

In spring 2011, the District convened a 60-member task force to develop a vision for education that will guide district goals for the next five years. The task force included parents, staff, School Board members, and a variety of leaders from the business, civic, and faith communities. Task force members attended four informational meetings to establish a shared base of knowledge about district enrollment and demographics, school finance, teaching and learning, community and partnerships, educational trends, and innovation. These informational meetings, led by a facilitator, were followed by four planning meetings where the task force members developed revised belief statements for the District and four strategies for the future. The School Board approved the plan in December 2011. A brief summary of the plan is listed below.

**Mission Statement:** *Educating our students to reach their full potential.*

### **Belief Statements:**

- Students come first
- All students can learn
- High expectations inspire students and staff to excel
- Learning is maximized in a safe, respectful, and inclusive environment
- A well-rounded education includes opportunities in academics, the arts, and athletics
- Learning is a lifelong pursuit
- Effective management of resources is critical
- Partnerships and collaboration enhance educational programming
- A culture of innovation and continuous improvement prepares students to be college and/or career ready
- An informed and engaged community guides effective decision-making

**Strategies and Goals:**

- **Strategy One – Teaching and Learning**
  - Deliver a high-quality instructional program that anticipates and meets the needs of all learners
- **Strategy Two – Early Learning**
  - Provide a well-aligned continuum of high-quality, culturally responsive, early learning (birth to Grade 3) services to meet the needs of all students
- **Strategy Three – Educational Equity**
  - Implement a systemic process that increases achievement for all students by addressing equitable access to opportunities in our schools and programs
- **Strategy Four – Partnerships**
  - Develop and implement sustainable strategies to increase collaboration between the District and community partners

**STUDENT ASSESSMENT AND TESTING**

The District uses a variety of state and national tests to measure student achievement, determine student ability, and evaluate curriculum.

**Minnesota Comprehensive Assessments (MCAs)**

According to the results of the Standards-Based Accountability Assessments released by the Minnesota Department of Education in July 2019, the percentage of the District's students who scored proficient on the state reading, math, and science tests exceeded the statewide averages for all grades tested in the spring of 2019.

The Standards-Based Accountability Assessments include the MCAs and the Minnesota Test of Academic Skills (MTAS) for students receiving special education services who qualify. These tests are given annually in reading (Grades 3–8 and 10), math (Grades 3–8 and 11), and science (Grades 5, 8 and high schools, after completion of the life science curriculum). More than 14,000 district students took the MCAs or MTAS last spring.

The MCAs and MTAS measure student performance on the Minnesota Academic Standards, which define what students should know and be able to do in a particular grade. Students earn a score that falls into one of four achievement levels: 1) does not meet the standards; 2) partially meets the standards; 3) meets the standards, and 4) exceeds the standards. Students who meet or exceed the standards are considered to be proficient in the subject areas.

Compared to 2018 results, the percentage of district students who scored proficient on the MCAs or MTAS reading, math, and science tests stayed about the same for all levels tested.

**American College Test (ACT)**

In 2018–2019, the District's high school students continued to score higher than the state and national average composite scores on the ACT college-entrance exam.

The ACT average composite score for the District's students in 2019 was 23.0 points out of a possible score of 36. The District average remained the same from the year before but is still 2.3 points higher than the national average of 20.7 points and 1.6 points higher than the state average of 21.4 points, which was highest among the 17 states where more than 95 percent of all students took the test.

The ACT is the primary admissions test for students attending college in the Midwest; the Scholastic Aptitude Test is the primary test for colleges located in the eastern and western states.

Approximately 98 percent of the District's graduating class of 2019 took the test.

### **Advanced Placement (AP)**

In September 2019, 766 of the District's high school students were recognized as AP Scholars by the College Board for earning a score of 3 or higher (on a scale of 1 to 5) on at least three or more exams. An AP exam score of 3 or higher earns credit at many of the nation's colleges and universities.

### **National Merit Scholars**

In 2018–2019, 16 of the District's high school seniors were named National Merit Scholarship semifinalists (top 1 percent of seniors nation-wide), another 26 students were named commended students (top 5 percent), and 3 were selected for the National Hispanic Recognition Program.

## **ACHIEVEMENTS AND AWARDS**

### **National Speech and Debate Association – Top 10 Schools of Outstanding Distinction**

In 2018–2019, Eagan high school was one of the top 10 Schools of Outstanding Distinction at the June 16-21, 2019 National Speech and Debate Association tournament in Dallas, Texas.

The tournament's top 10 schools are selected based on the number of rounds of competition their students complete in both speech and debate events. Twenty students from Eagan, 9 from Apple Valley and 13 from Eastview qualified to compete at the national tournament. Each event started with more than 250 competitors who qualified at tournaments held throughout the country this past spring.

This is the fifth year in a row that Eagan has both finished among the top 10 Schools of Outstanding Distinction at the national tournament.

### **All-State Musicians**

Forty-two of the District's high school students were name All-State Musicians by the Minnesota Music Educators Association (MMEA) for the 2019–2020 school year. These students, who were selected by recorded audition, participated in a camp this past summer and will perform at MMEA's annual conference in February 2020.

## **FINANCIAL AND BUDGETARY CONTROL**

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from theft, misuse, or losses and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and Minnesota Uniform Financial Accounting and Reporting Standards.

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of the costs and benefits requires estimates and judgments by management.

In addition, the District has also adopted the following policies to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board:

- **Fund Balance Policy** – Requires the District to maintain an operating fund balance of 5 percent of the expenditure budget.
- **Budget Policy** – Establishes a guideline for allocation of district resources.
- **Personnel Staffing Guidelines** – Personnel costs represent over 85 percent of General Fund expenditures. These guidelines, which set the staffing allocation for every allocated position in the District, are updated each February by the administration and the School Board.

The District's budget process is based, first, on development of a budget projection model that attempts to project resources and expenses over a multiple year period. The budget projection is used by the School Board and the administration to determine budget parameters and staffing guidelines. Second, the budget, adopted in June, is based on the personnel staffing guidelines and building allocations approved by the School Board in February of the preceding budget year. School and department administrators develop expenditure plans in accordance with School Board-approved budget parameters. The School Board resolution adopting the budget in June also includes a provision directing the administration to update the budget in October. This final budget reflects the District's actual enrollment count on October 1, the actual staff hired, and other dynamics such as employee contract settlements and legislative changes not included in the preliminary budget process.

The level of budgetary control is at the fund level. However, in the General Fund; operating, special education, pupil transportation, capital expenditure, and quality compensation are maintained as separate internal accounts for budgeting purposes. The District also maintains an encumbrance accounting system as one method of maintaining budgetary control. Encumbered amounts lapse at year-end. However, outstanding encumbrances generally are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

### **CERTIFICATE OF EXCELLENCE**

This report will be submitted to the ASBO International for consideration for the Certificate of Excellence in Financial Reporting.

The District received the Certificate of Excellence in Financial Reporting from ASBO International for excellence in the preparation and issuance of the District's CAFR for the year ended June 30, 2018. It is the 16th consecutive year the District has received the award, which was earned by fewer than 10 percent of all school districts in the state.

The District expects to continue to earn the recognition that accompanies national standards of accuracy and thoroughness of the Certificate of Excellence program.



## **MERITORIOUS BUDGET AWARD**

In September 2019, the District's Finance Department received the Meritorious Budget Award (MBA) from the ASBO International for its 2019–2020 budget.

The MBA program promotes and recognizes excellence in school budget presentation. The award is awarded to school districts that have met or exceeded the program's stringent criteria, following a rigorous review by professional auditors.

The District has submitted its 2019–2020 budget document for ASBO International's review.

## **FINANCIAL PROSPECTS FOR FUTURE YEARS**

With the exception of the voter-approved operating referendum and building bond referendum, the District is dependent on the state of Minnesota for its revenue authority.

The state's budget outlook has improved steadily since 2012 and the Minnesota Department of Management and Budget's February 2019 forecast calls for the continual improvement over the next several years, but also indicates a lot of uncertainty as new policies are implemented with the new federal administration.

The table below summarizes the per pupil unit funding amounts and percentage change over the past five school years:

<b>School Year</b>	<b>Formula Allowance</b>	<b>Percentage Change</b>
2014-15	\$5,831	2.00%
2015-16	\$5,948	2.00%
2016-17	\$6,067	2.00%
2017-18	\$6,188	2.00%
2018-19	\$6,312	2.00%

The District appreciates and welcomes the additional funding. However, with funding not sufficient to keep pace with inflation over the past decade, steady student enrollment, and the costs of educating our students continuing to rise, the financial outlook for the District continues to present challenges.

The District is committed to continuing to engage parents, staff, and business and community members in further budget adjustment discussions and to consider other options for increasing revenues.

## **MAJOR INITIATIVES**

### **Referendum Improvements**

On November 3, 2015, district voters approved a referendum question for \$180 million in capital improvements and technology funding. The referendum question was approved by a more than 2-to-1 margin, 8,768 yes (69 percent) to 3,935 no (31 percent). The approved referendum provided the District with \$130 million in bonding authority to make safety and security improvements at all schools, provide additional space for learning, including a new elementary school, and upgrades to technology infrastructure district-wide. Fiscal year 2018-2019 marked the last year of major projects related to the referendum.

The referendum questions also include a capital project levy that will provide approximately \$5.0 million per year for 10 years to increase access to technology for all students and maintain that access over the life of the levy.

The improvements that will be supported by the referendum are summarized below.

#### **Safety and Security**

- Modify entrances at all schools to better control visitor access
- Upgrade security equipment at all schools
- Site improvements at 16 sites with identified need to improve pedestrian and traffic safety

#### **Space for Learning**

- New elementary school in the southern part of the District
- Additions to five elementary magnet schools and Parkview Elementary
- STEM improvements at all six middle schools, Cedar Park Elementary STEM School and Apple Valley High School
- Improvements to meet district standards for space at Rosemount High School and elementary schools with identified need
- Replacement of worn-out student furniture at middle schools and high schools

#### **Technology for Learning**

- Infrastructure upgrades
- Mobile learning device for each student in Grades 4–12, phased in over three years
- 3-to-1 ratio of students-to-mobile learning device for Grades pre-K–3

### **Operating Referendum**

On November 5, 2019, district voters approved an operating referendum question for the district. The referendum question revoked and replaced the previous authority and will provide \$19 million in additional levy authority beginning in the fiscal year 2020-2021. These funds will be used to reverse the reductions of previous years and provide additional support for areas of great need including mental health support and after school activity busses, which allow more students to participate in enrichment activities beyond the school day.

## **ACKNOWLEDGMENTS**

The preparation of this CAFR in a timely manner would not be possible without the assistance of the entire Finance Department staff. We would like to particularly thank our manager of financial systems, reporting, and compliance, Daniel Duchene; finance department supervisors and staff for their work.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Ziemer".

Lisa Ziemer, CPA  
Controller

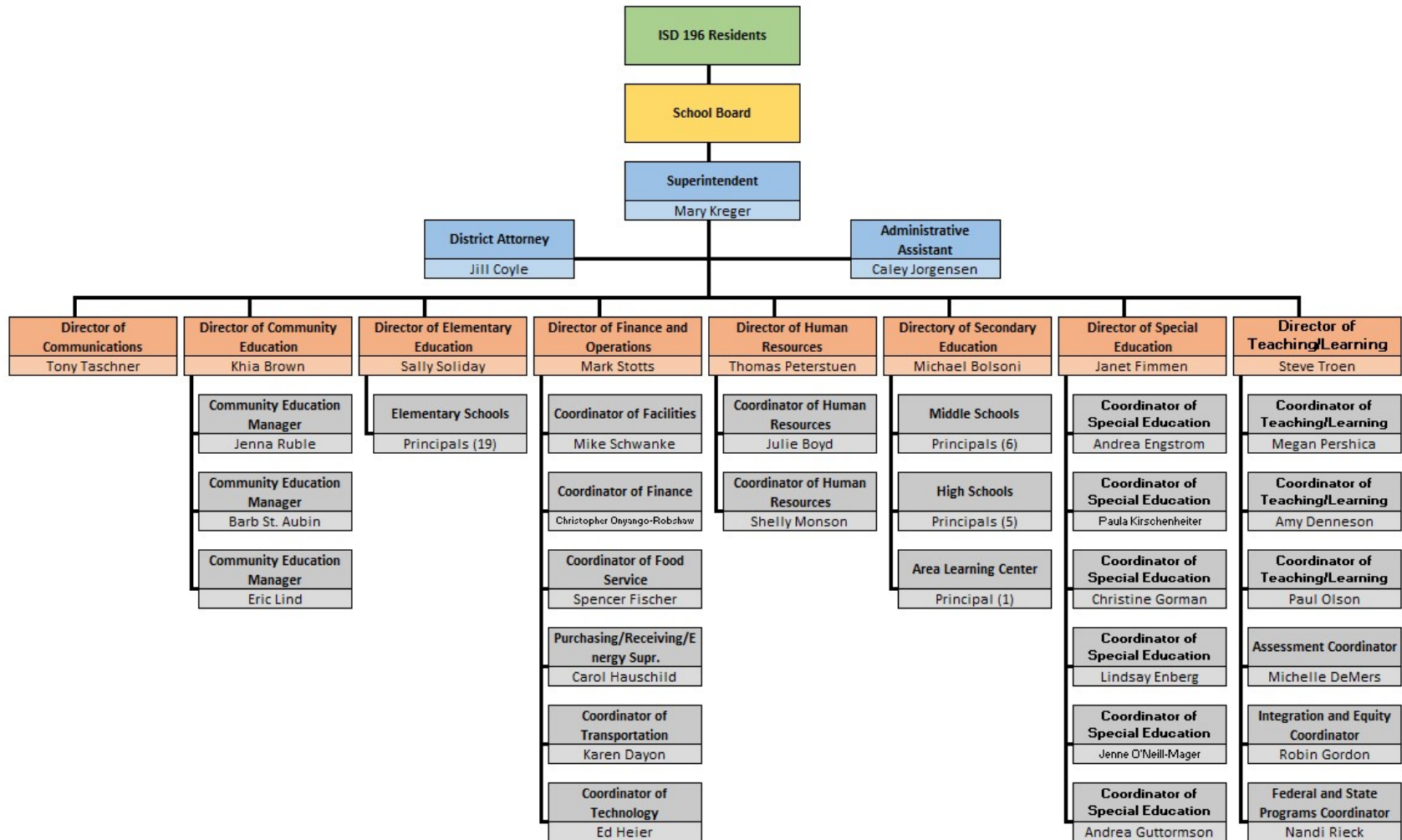
A handwritten signature in cursive script that reads "Chris Onyango-Robshaw".

Christopher Onyango-Robshaw, CPA  
Coordinator of Finance



Independent School District No. 196  
Rosemount-Apple Valley-Eagan Public Schools  
*Educating our students to reach their full potential*

## Organization Chart



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
SCHOOL BOARD AND ADMINISTRATION  
JUNE 30, 2019**

**SCHOOL BOARD**

Jackie Magnuson  
Joel Albright  
Sachin Isaacs  
Art Coulson  
Craig Angrimson  
Mike Roseen  
Bob Schutte

Chairperson  
Vice Chairperson  
Clerk  
Treasurer  
Director  
Director  
Director

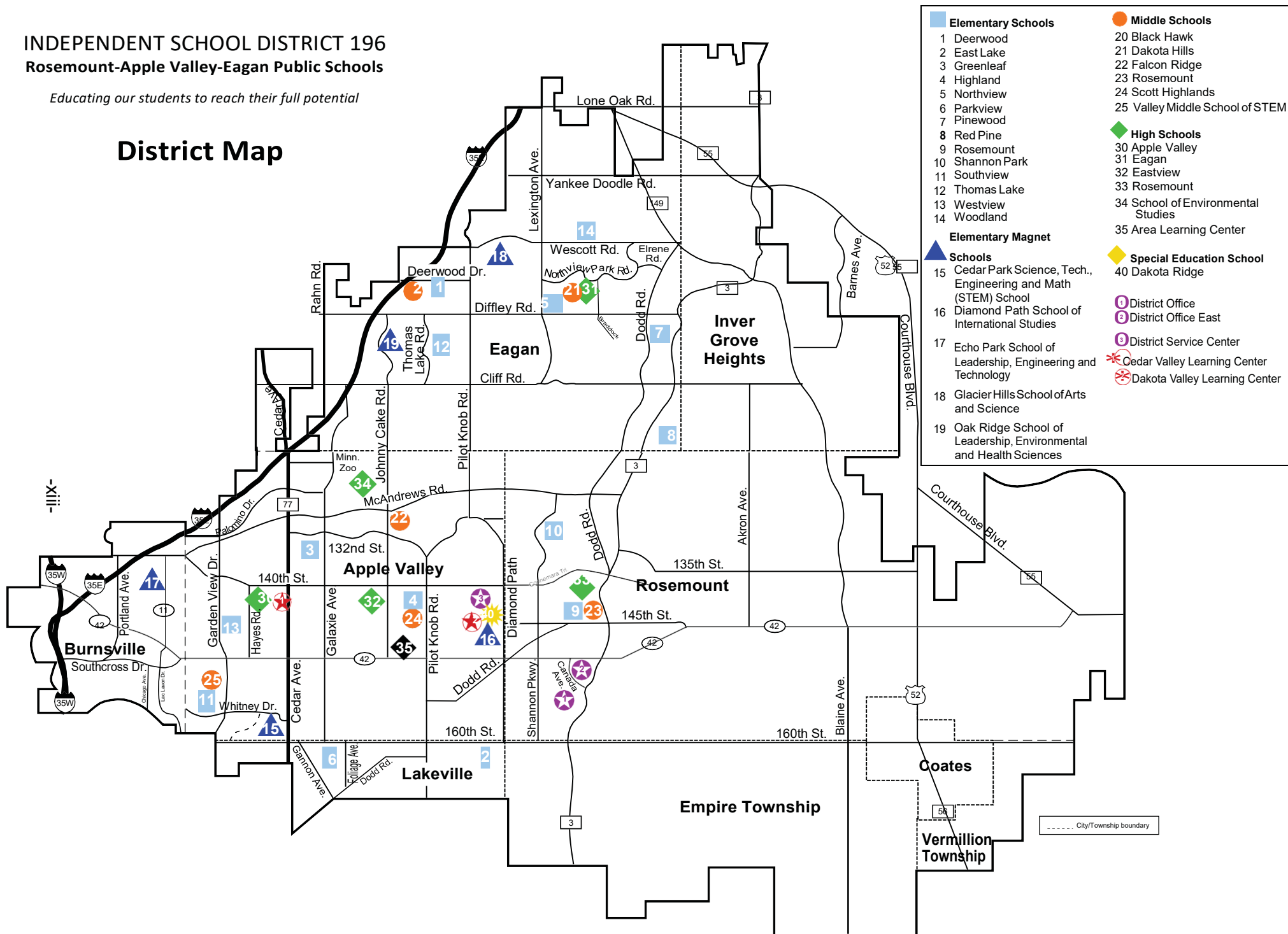
**SUPERINTENDENT'S CABINET**

Mary Kreger  
Khia Brown  
Jill Coyle  
Janet Fimmen  
Sally Soliday  
Mark Parr  
Thomas Pederstuen  
Mark Stotts  
Tony Taschner  
Steve Troen

Superintendent  
Director of Community Education  
School District Attorney  
Director of Special Education  
Director of Elementary Education  
Director of Secondary Education  
Director of Human Resources  
Director of Finance and Operations  
Director of Communications  
Director of Teaching and Learning

*Educating our students to reach their full potential*

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**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**Independent School District 196  
Rosemount-Apple Valley-Eagan Public Schools**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

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



A handwritten signature in black ink, reading 'Tom Wohlleber'.

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**Tom Wohlleber, CSRM**  
President

A handwritten signature in black ink, reading 'John D. Musso'.

**John D. Musso, CAE**  
Executive Director



## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

School Board  
Rosemount-Apple Valley-Eagan Public Schools  
Independent School District No. 196  
Rosemount, 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. 196, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Independent School District No. 196'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 Independent School District No. 196 as of June 30, 2019, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended and budgetary comparison for General, Food Service, and Community Service, in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

During fiscal year ended June 30, 2019, the District restated its beginning fund balance for the food service fund due to unearned revenue in the prior year being overstated. Though clearly trivial to the governmental activities of the District, beginning net position was also restated to reflect this overstatement. See Note 10 for additional information on these restatements.

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

We have previously audited the District's 2018 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 December, 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the district's net OPEB liability (asset) and related ratios, schedule of money-weighted rate of return on plan assets, 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 Independent School District No. 196's basic financial statements. The introductory section, individual fund financial statements, Uniform Financial Accounting and Reporting Standards table, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Independent School District No. 196 as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 14, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The individual fund financial statements for the year ended June 30, 2018 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 financial statements. The individual fund financial statements have been subjected to the auditing procedures applied to the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

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 December 6, 2019, on our consideration of Independent School District No. 196's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 196's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Independent School District No. 196's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
December 6, 2019



## **REQUIRED SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

This section of Independent School District No. 196's Comprehensive Annual Financial Report (CAFR) presents the management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2019. 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.

**FINANCIAL HIGHLIGHTS**

For the year ended June 30, 2019, the District showed an increase in total net position of \$96.66 million. Many factors contributed to this change. A few key financial highlights from the District's basic financial statements for the 2018–2019 fiscal year are listed below:

- The liabilities and deferred inflows of resources of the District exceed its assets and deferred outflows of resources at the close of the 2018–2019 fiscal year by \$135.65 million. This amount includes a net investment in capital assets of \$116.73 million, \$27.08 million net position restricted for specific uses, and a negative unrestricted net position of \$279.45 million.
- The District's total net position increased by \$96.66 million in the current year. Restricted net position decreased by \$11 million. The unrestricted portion of the District's net position increased \$104.86 million. A more detailed analysis of these changes can be found later in this document.
- As of June 30, 2019, the District's governmental funds reported combined ending fund balances of \$65.56 million, a net decrease of \$24.5 million in comparison with the prior year. Approximately 56.13% of the total fund balance amount, or \$36.80 million, is unassigned.
- At the close of the 2018–2019 fiscal year, unassigned fund balance for the General Fund was \$37.35 million, or 10.08%, of total General Fund expenditures.
- The District's long-term liabilities decreased by \$453.38 million, or 51.37%, during the current fiscal year. The main reason for this change was a net decrease in the District's proportionate share of the net pension liability related to the statewide pension plans administered by the Teachers Retirement Association (TRA) and the Public Employees Retirement Association (PERA).

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

## **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, single and supplementary 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 district-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.
- **Fiduciary funds statements** provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

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

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

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

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



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**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 three 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 maintains one type of proprietary fund. The Internal Service Funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its Internal Service Funds to account for its dental and health self-insurance programs as well as contributions and benefit payments for the District's severance benefits. These services have been included within the governmental activities in the government-wide financial statements.
- *Fiduciary Funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial and governmental fund statements because the District cannot use these assets to finance its operations.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

Figure 1 depicts how the various parts of this CAFR are arranged and their relationship to one another:

**Figure 1  
Organization of  
Comprehensive Annual Financial Report**

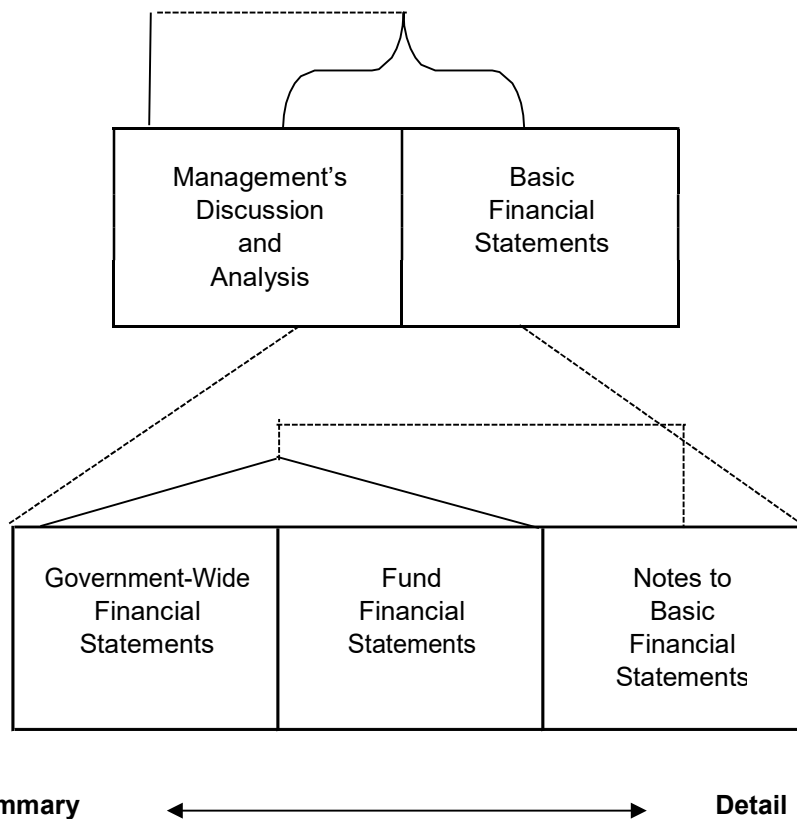


Figure 2, at the top of the next page, summarizes the major features of the District's financial statements, including portions of the District's activities covered and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

Figure 2, below, summarizes the major features of the District's financial statements, including portions of the District's activities covered and the types of information they contain.

<p style="text-align: center;"><b>Figure 2</b> <b>Major Features of the Government-Wide and Fund Financial Statements</b></p>				
	<b>Government-Wide Financial Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as building maintenance, food service, and community education	Activities of the District that operate similar to private businesses: internal service funds	Instances in which the District administers resources on behalf of someone else, such as the graduate credit program
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>– Statement of NetPosition</li> <li>– Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>– Balance Sheet</li> <li>– Statement of Revenue, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>– Statement of NetPosition</li> <li>– Statement of Revenue, Expenses, and Changes in Fund Net Position</li> <li>– Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>– Statement of Fiduciary Net Position</li> <li>– Statement of Changes in Fiduciary NetPosition</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset/deferred outflow of resources/ liability/deferred inflow of resources information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources; both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources; both financial and capital, short-term and long-term	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources; both short-term and long-term. Funds do not currently contain capital assets; although they can
<b>Type of inflow/outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

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

**Net Position**

The District's financial position is the product of many factors. As indicated earlier, net position may serve over time as a useful indicator of the District's financial position. The reader needs to understand that the determination of net position includes significant assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, may produce a significant difference in the calculation of the District's net investment in capital assets.

The District's *combined* net position was a deficit of \$135,648,619 on June 30, 2019 (see Table A-1).

The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2019 reducing the District's net position to a deficit of \$135,648,619. The District's total net position was significantly impacted in fiscal 2019 by the required actuarial calculation changes included in GASB Statements related to statewide pension plans. The District had \$27,078,778 of net position that was available to meet its ongoing obligations, but restricted for specific uses.

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

	Governmental Activities as of June 30,		Percentage Change
	2019	2018	
Current and Other Assets	\$ 241,256,098	\$ 270,889,668	(10.94)%
Capital Assets	287,705,830	272,652,385	5.52
Total Assets	528,961,928	543,542,053	(2.68)
Deferred Outflows of Resources	290,795,319	375,009,162	(22.46)
Current Liabilities	61,266,271	69,211,189	(11.48)
Long-Term Liabilities	429,147,058	882,525,139	(51.37)
Total Liabilities	490,413,329	951,736,328	(48.47)
Deferred Inflows of Resources	464,992,537	199,126,366	133.52
Net Position:			
Net Investment in Capital Assets	116,725,381	112,909,002	3.38
Restricted	27,078,778	39,094,169	(30.73)
Unrestricted	(279,452,778)	(384,314,650)	(27.29)
Total Net Position	<u>\$ (135,648,619)</u>	<u>\$ (232,311,479)</u>	(41.61)

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Changes in Net Position**

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

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

	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2019	2018	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 16,554,773	\$ 15,698,513	5.45 %
Operating Grants and Contributions	101,343,381	85,003,445	19.22
Capital Grants and Contributions	5,300,870	4,963,687	6.79
<u>General Revenues</u>			
Property Taxes	91,277,009	89,507,191	1.98
Unrestricted State Aid	212,253,653	208,324,498	1.89
Investment Earnings	3,014,218	5,159,316	(41.58)
Other	362,703	465,747	(22.12)
Total Revenues	430,106,607	409,122,397	5.13
<b>Expenses</b>			
Administration	12,051,588	19,849,495	(39.29)
District Support Services	11,702,181	11,304,721	3.52
Regular Instruction	121,251,866	237,331,260	(48.91)
Vocational Education Instruction	3,561,099	6,971,224	(48.92)
Special Education Instruction	73,220,623	92,821,199	(21.12)
Instructional Support Services	16,663,894	27,761,713	(39.98)
Pupil Support Services	24,625,849	28,187,078	(12.63)
Sites and Buildings	34,429,780	44,032,340	(21.81)
Fiscal and Other Fixed Cost Programs	1,182,069	582,782	102.83
Food Service	12,227,206	11,440,841	6.87
Community Service	7,301,923	10,362,136	(29.53)
Unallocated Depreciation	10,310,511	10,559,793	(2.36)
Interest and Fiscal Charges on			
Long-Term Liabilities	5,145,850	4,880,487	5.44
Total Expenses	333,674,439	506,085,069	(34.07)
<b>Change in Net Position</b>	96,432,168	(96,962,672)	
Beginning Net Position	(232,311,479)	(135,348,807)	
Prior Period Restatement	230,692	-	
Beginning Net Position, as Restated	(232,080,787)	(135,348,807)	
Ending Net Position	\$ (135,648,619)	\$ (232,311,479)	

The District's total revenues were \$430,106,607 for the year ended June 30, 2019, an increase of \$20.98 million (5.13%) from 2017-2018 actual revenues of \$409.12 million.

For 2018-2019, property taxes and general grants and aids accounted for 70.57% of total revenue for the year. About 24.79% of the District's revenue came from operating and capital grants. Fees and charges for services accounted for 3.85% of the total revenue, while the remaining .79% came from other general revenue, including investment income.

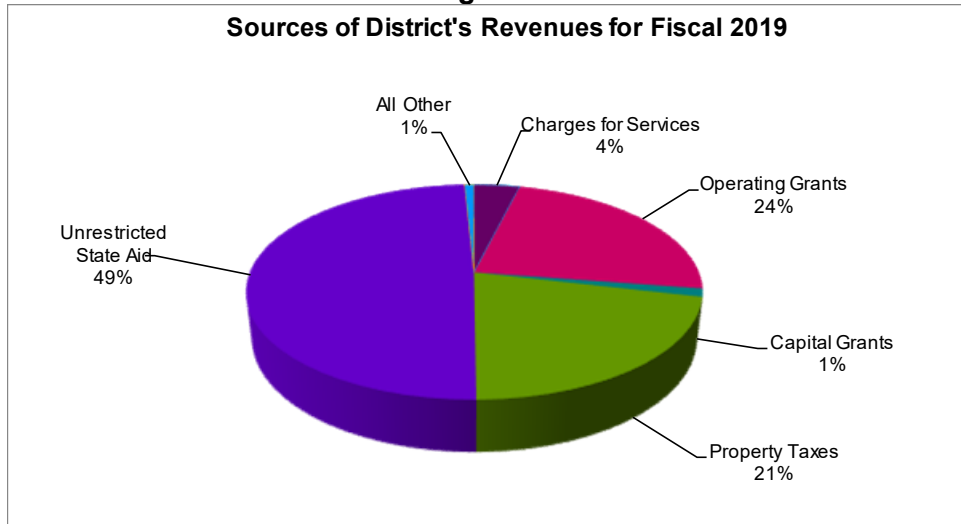
**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

For 2018-2019, the cost of all *governmental* programs and services was \$333,674,439. This is a decrease of \$172.41 million (34.07%) from the 2017-2018 total cost of \$506.09 million. The majority of this increase is attributable to the amount of pension expense recognized related to the District's proportionate share of the two statewide pension plans.

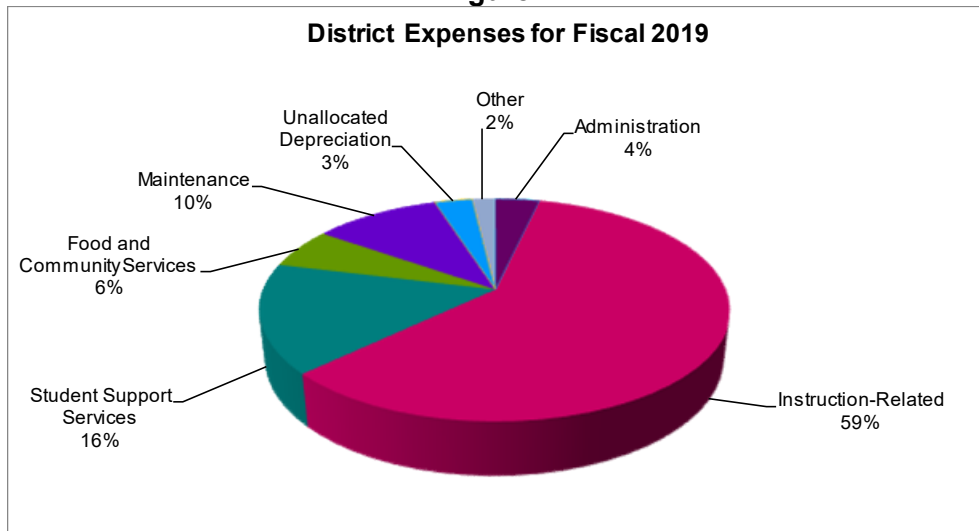
As in past years, the bulk of the District's resources (71.72%) were directed to providing instructional services to our students enrolled in regular education, special education, and vocational education programs (including instructional and pupil support). The administrative activities of the District accounted for 3.61 percent of total costs for the year.

Total revenues exceeded expenses, increasing the District's net position by \$96.43 million.

**Figure 3**



**Figure 4**



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

The cost of all *governmental* activities for 2018–2019 was \$333.67 million. Of this amount, \$123.2 million was supported by “charges for services, operating grants, or capital grants” received by the schools.

- A majority of the District’s costs were paid for by state taxpayers based on the statewide education aid formula, and property taxes paid by district taxpayers.
- The federal and state governments, and other local sources, subsidized certain programs with grants and contributions totaling \$106.64 million, or 31.96%, of the total costs for 2018–2019. In addition, federal, state, and local sources subsidized general district operations with grants and contributions of \$212.25 million, or 63.61%, of the total costs for 2018–2019.
- About 4.96%, or \$16.55 million, of costs were paid by the users of the District’s programs.
- Finally, \$3.38 million of the district revenue came from investment earnings and other general revenue.

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2019	2018		2019	2018	
Administration	\$ 12,051,588	\$ 19,849,495	(39.29)%	\$ 10,552,762	\$ 17,932,876	(41.15)%
District Support Services	11,702,181	11,304,721	3.52	9,425,912	11,042,912	(14.64)
Regular Instruction	121,251,866	237,331,260	(48.91)	99,405,100	224,097,186	(55.64)
Vocational Education Instruction	3,561,099	6,971,224	(48.92)	1,955,519	5,692,504	(65.65)
Special Education Instruction	73,220,623	92,821,199	(21.12)	26,619,995	50,835,143	(47.63)
Instructional Support Services	16,663,894	27,761,713	(39.98)	13,878,827	26,301,792	(47.23)
Pupil Support Services	24,625,849	28,187,078	(12.63)	4,931,218	9,752,996	(49.44)
Sites and Buildings	34,429,780	44,032,340	(21.81)	27,770,506	35,934,159	(22.72)
Fiscal and Other Fixed Cost Programs	1,182,069	582,782	102.83	1,182,069	582,782	102.83
Food Service	12,227,206	11,440,841	6.87	(622,983)	(424,275)	46.83
Community Service	7,301,923	10,362,136	(29.53)	(79,871)	3,231,069	(102.47)
Unallocated Depreciation	10,310,511	10,559,793	(0.02)	10,310,511	10,559,793	(0.02)
Interest and Fiscal Charges on Long-Term Liabilities	5,145,850	4,880,487	5.44	5,145,850	4,880,487	5.44
Total	<u>\$ 333,674,439</u>	<u>\$ 506,085,069</u>	(34.07)	<u>\$ 210,475,415</u>	<u>\$ 400,419,424</u>	(47.44)

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The financial performance of the District as a whole is also reflected in its governmental funds. As of June 30, 2019, the District's governmental funds reported total fund balances of \$65.56 million, a decrease of \$24.51 million, or 27.21%, from last year's ending total fund balances of \$90.07 million. This net decrease is chiefly due to the following factors:

- In 2018–2019, actual revenues and other financing sources were \$6.46 million more than actual expenditures and other financing uses in the General Fund.
- During 2018–2019, the District continued to utilize the proceeds from the Series 2016A General Obligation School Building Bonds to finance major maintenance and building improvement projects.

Table A-4 below shows the total fund balances of each of the District's governmental funds:

**Table A-4  
Fund Balance - All Governmental Funds**

	Year Ended		Change
	June 30, 2019	June 30, 2018	
General Fund	\$ 50,927,013	\$ 44,468,707	\$ 6,458,306
Food Service Fund	4,115,839	2,980,037	1,135,802
Community Service Fund	2,794,089	2,327,940	466,149
Capital Projects Fund	6,027,687	36,701,179	(30,673,492)
Debt Service Fund	1,699,991	3,592,701	(1,892,710)
Total	<u>\$ 65,564,619</u>	<u>\$ 90,070,564</u>	<u>\$ (24,505,945)</u>

**GENERAL FUND**

The General Fund is used by the District to record the primary operations of providing education services to students from kindergarten through Grade 12. Pupil transportation activities and capital and major maintenance projects are also included in the General Fund.

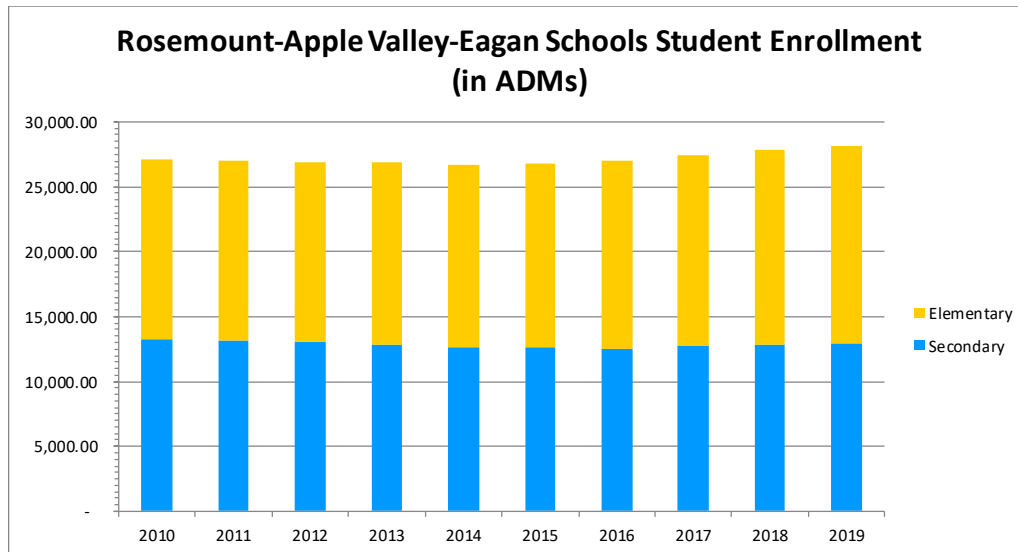
Funding for Minnesota school districts is largely driven by enrollment. Over the last five years, the District's enrollment has increased year over year. Based on the results of an updated enrollment projection reviewed by the School Board in November 2018, enrollment is projected to increase slightly over the next four years, ranging from 28,882 (actual as of October 1, 2019) for the 2019–2020 school year to 30,384 for the 2022–2023 school year.



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ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

The graph below (Figure 5) shows the District's actual average daily membership (ADM) over the last ten years. ADM for 2018–2019 increased from the previous year at the kindergarten through elementary levels, as well as at the secondary level. Preliminary enrollment data for the 2019–2020 fiscal year shows an increase of 166 ADM over the 2018–2019 total of 28,563.

**Figure 5  
Average Daily Membership (ADM)**



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pre-K & KH	362	358	399	399	402	498	505	537	571	577
Reg K	1,627	1,658	1,691	1,684	1,596	1,749	1,720	1,745	1,826	1,827
Elementary	11,915	11,829	11,941	11,919	12,114	12,231	12,418	12,716	12,832	12,865
Secondary	13,112	13,056	12,856	12,639	12,658	12,570	12,735	12,792	12,949	13,294
Total Students for Aid	27,015	26,901	26,887	26,641	26,770	27,048	27,379	27,790	28,178	28,563
Percentage Change	-0.46%	-0.42%	-0.05%	-0.91%	0.48%	1.04%	1.23%	1.50%	1.40%	1.37%

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The following schedule presents a summary of General Fund Revenues and Other Financing Sources.

**Table A-5  
General Fund Revenues and Other Financing Sources**

	Year Ended		Change	
	June 30, 2019	June 30, 2018	Increase (Decrease)	% Change
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 72,874,150	\$ 71,208,373	\$ 1,665,777	2.3 %
Earnings on Investments	1,564,028	1,058,942	505,086	47.7
Other	10,254,691	10,685,204	(430,513)	(4.0)
State Sources	281,583,679	271,769,390	9,814,289	3.6
Federal Sources	10,805,733	10,801,070	4,663	-
Total Revenues	<u>377,082,281</u>	<u>365,522,979</u>	<u>11,559,302</u>	
<b>OTHER FINANCING SOURCES</b>				
Sale of Equipment	19,383	23,971	(4,588)	(19.1)
Capital Leases	-	1,043,209	(1,043,209)	(100.0)
Judgments for School District	369	-	369	-
Insurance Recovery	56,303	311,212	(254,909)	(81.9)
Total Other Financing Sources	<u>76,055</u>	<u>1,378,392</u>	<u>(1,302,337)</u>	(94.5)
Total General Fund Revenues and Other Financing Sources	<u>\$ 377,158,336</u>	<u>\$ 366,901,371</u>	<u>\$ 10,256,965</u>	2.8

During 2018–2019, the District's total General Fund revenues and other financing sources increased \$11.56 million, or 3.16%, from the previous year. The increase was due to the following factors:

- An increase of \$1.66 million in property taxes due to the inflationary increase in operating levy
- State aids for 2018-2019 were \$9.81 million more than the previous year. This increase was mainly due to the following factors:
  - 1) An increase of \$4.7 million in basic general education aid, mainly due to an increase of 2% in the general education formula allowance coupled with the increase in students served.
  - 2) An increase of \$3.98 million in state special education aid.
  - 3) An increase of \$1.19 million in capital related categories of operating capital and long-term facilities maintenance aid.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

The following schedule presents a summary of General Fund Expenditures and Other Financing Uses.

**Table A-6  
General Fund Expenditures and Other Financing Uses**

	Year Ended		Change	
	June 30, 2019	June 30, 2018	Increase (Decrease)	Percent Change
<b>EXPENDITURES</b>				
Salaries	\$ 233,046,502	\$ 225,046,295	\$ 8,000,207	3.6 %
Employee Benefits	82,224,250	80,575,031	1,649,219	2.0
Purchased Services	26,295,209	24,735,805	1,559,404	6.3
Supplies and Materials	15,660,936	16,056,870	(395,934)	(2.5)
Capital Expenditures	8,485,551	8,312,984	172,567	2.1
Debt Service	2,868,723	2,820,011	48,712	1.7
Other Expenditures	1,983,350	1,521,089	462,261	30.4
Total Expenditures	370,564,521	359,068,085	11,496,436	3.2
<b>OTHER FINANCING SOURCES</b>				
Transfers In	135,509	-	135,509	-
Total General Fund Expenditures and Other Financing Uses	<u>\$ 370,700,030</u>	<u>\$ 359,068,085</u>	<u>\$ 11,631,945</u>	3.2

Total General Fund expenditures and other financing uses increased \$11,631,945 or 3.2% from the previous year. The changes in the major expenditure categories include:

Overall salaries increased by \$8,000,207 which was primarily due to wage increases based on salary settlements and additional staff hired to meet the educational needs of the growing student population.

Employee benefits increased \$1,649,219 or 2.0% over the previous year due to the additional costs of increased staff coupled with the cost of related benefits associated with the wage settlements.

Purchased Services consist of expenditures for fees for service including transportation contracts, postage, utilities, property insurance, maintenance repairs, leases, travel, telephone, and tuition. The District's increase of \$1,559,404 or 6.3% in purchased services was partially due to costs associated with the contracted repairs and maintenance in the Long-Term Facilities Maintenance program.

Supplies and Materials decreased by \$395,934, or 2.5%, from the previous year. This was due to reduced use of funds for discretionary supplies.

Capital expenditures increased \$172,567, or 2.1%, from the previous year.

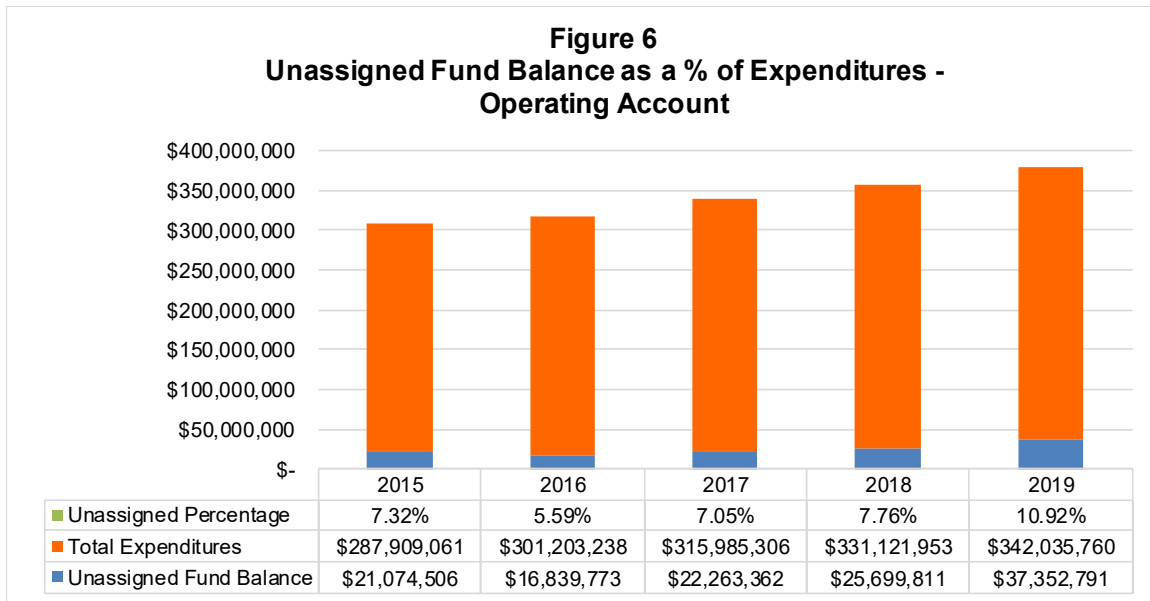
**INDEPENDENT SCHOOL DISTRICT NO. 196  
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Debt service expenditures increased \$48,712, or 1.7%, from the previous year per the debt redemption schedule.

Other expenditures increased \$462,261, or 30.4%, from the previous year. This fluctuation reflects budget managers' discretion in the allocation of resources within buildings and departments.

In summary, 2018-2019 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$6,458,306. After deducting statutory restrictions and internal assignments, the unassigned fund balance increased to \$37.35 million.

Figure 6 shows the General Fund – Operating Account unassigned fund balance as a percentage of expenditures.



The graph, as shown in Figure 6 above, is the single best measure of the District's overall financial health. The unassigned fund balance of \$37.35 million in the Operating Account of the General Fund at June 30, 2019 represents 10.92% of annual Operating Account expenditures, or slightly over four weeks of operations, assuming level spending throughout the year.

The District is committed to continuing to provide quality instructional services to our students; the administration and School Board will continue to monitor expenditures and maintain fund balance as prescribed in School Board policy.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**General Fund Budgetary Highlights**

The District is required to adopt an operating budget prior to the beginning of its fiscal year (July 1) and is referred to as the original budget. Over the course of the year, the District revised its annual operating budget to the appropriate levels. The budget amendments fall into two categories:

- 1) Implementing budgets for specially funded projects, which include both federal and state grants, adjusting staffing and various instructional allocations to the schools based on actual enrollment and unspent funds carried over from fiscal year 2017-2018.
- 2) Increase in appropriations for significant unbudgeted costs.

The final budget amounts, as shown in Table 7 below, include all of these adjustments and represent the District's revised estimates for 2018-2019:

**Table A-7  
General Fund Budget**

	Preliminary Budget	Final Budget	Increase (Decrease)	Percent Change
Revenue and Other Financing Sources	\$ 369,105,347	\$ 380,357,509	\$ 11,252,162	3.0 %
Expenditures and Other Financing Uses	<u>369,856,372</u>	<u>373,794,342</u>	<u>3,937,970</u>	1.1 %
Net Change in Fund Balance	<u>\$ (751,025)</u>	<u>\$ 6,563,167</u>	<u>\$ 7,314,192</u>	(973.9)%

While the District's final budget for the General Fund anticipated that revenues and other financing sources would exceed expenditures and other financing uses by \$6.56 million (net gain), the actual results for the year show a net gain of \$6.46 million.

- Actual revenues and other financing sources were about \$3.08 million less than expected. The major factors that had contributed to this variance are as follows:
  - 1) Actual property tax revenues were \$0.43 million more than budgeted as tax delinquencies and abatements were less than projections.
  - 2) State aids received by the District for the 2018-2019 school year were \$2.56 million under budget.
  - 3) Actual federal aids for the 2018-2019 school year were \$.96 million less than the approved budget. Federal aid receipts are based on reimbursement of actual expenditures.

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YEAR ENDED JUNE 30, 2019**

- Actual expenditures and other financing uses were \$3.18 million, or 0.85%, less than budget. There are many factors, both positive and negative, that have contributed to the net decrease.
  - 1) Actual employee benefits were \$1.31 million more than budget. This was mainly due to higher overall premiums from staff coverage elections and a large number of retiree severance payments processed during the year.
  - 2) In 2018-2019, actual salaries were \$1.37 million more than budget.
  - 3) The District spent \$2.16 million more than budgeted in the areas of purchased services and supplies and material mainly on contracted repairs related to the Long-Term Facilities Maintenance program. A majority of the budget for these items was in the building construction code, which has less expenditures than budget.
  - 4) In 2018-2019, actual capital related expenditures were also under budget by \$6.77 million. This is mainly due to the timing of projects and schools not spending all their allocations.

**Food Service Fund**

The Food Service Special Revenue Fund revenues for 2018-2019 totaled \$13.37 million and expenditures were \$12.46 million, resulting in an increase in the fund balance of \$0.91 million. The June 30, 2019 Food Service Special Revenue Fund balance was at \$4.12 million.

The 2018-2019 actual revenues were \$736 thousand, or 5.8%, more than the budgeted amount. The variance is due to higher participation rates.

The actual 2018-2019 Food Service Special Revenue Fund expenditures were \$0.48 million, or 3.72%, less than the budgeted amount. The variance includes savings in both staffing costs and expenditures related to purchased goods and services.

Consistent with the food service comprehensive capital projects plan, the District will continue to use the accumulated fund balance to fund routine equipment purchases and major capital projects.

**Community Service Fund**

In 2018–2019, the total revenues and other financing sources for the Community Service Special Revenue Fund were \$9.21 million and the total expenditures were \$8.74 million, resulting in an increase to fund balance of \$0.47 million. The Community Service Special Revenue Fund balance as of June 30, 2019 is \$2.79 million. Of this amount, \$0.42 million is restricted for community education programs, \$0.47 million is restricted for the Early Childhood Family Education Program, \$1.21 million is restricted for the School Readiness Program, \$0.51 million is restricted for the Adult Basic Education Program, and \$.18 million is restricted for community service programs.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Capital Projects - Building Construction Fund**

The Capital Projects – Building Construction Fund expenditures exceeded revenues by \$30.67 million for the year ended June 30, 2019, resulting in a decrease of the same amount to fund balance. The 2018-2019 fiscal year accounted for the third of three years related to the construction projects provided by the 2015 bond referendum. Funds provided in early 2016 have been used in the previous fiscal years to construct an elementary school, provide additional learning and office space to existing buildings, and upgrade entrances, driveways, and parking lots across the district. The decrease in fund balance is attributable to the use of the funds provided to make these improvements.

**Debt Service Fund**

Revenues and expenditures for the District's Debt Service Fund are directly tied to the District's bond principal and interest payment needs. For 2018–2019, approximately 98.14% of the District's debt service revenues came from property taxes. The remaining balance came from the state in the form of agricultural market value property tax credits and interest income from short-term investments.

In 2018–2019, the District's total Debt Service Fund expenditures exceeded revenues by \$1.89 million.

The June 30, 2019 Debt Service Fund balance totaled \$1.7 million. The general debt service account has a negative ending balance of \$.55 million, while the reserve for Other Post-Employment Benefits (OPEB) at year-end was \$2.25 million.

**INTERNAL SERVICE FUNDS**

The District maintains three internal service funds at year-end. The Severance Benefits Internal Service Fund is used to fund severance or retirement pay for eligible retirees. For 2018–2019, the revenues for this fund include interest income from short-term investments and contributions paid from the District's governmental funds. The severance payable liabilities for the District on June 30, 2019 totaled \$14.66 million, and the net position of the fund was a deficit \$4.23 million.

The Self-Insured Dental Benefits Internal Service Fund was established to report all activities related to the District's self-insured dental benefits plan. This plan covers all non-bargained staff, as well as principals, building chiefs, and vehicle technicians. The total contributions (both district and employee) for 2018–2019 totaled \$0.46 million, and claims paid or accrued totaled \$0.41 million, resulting in net position increasing \$0.05 million to \$0.18 million at year-end.

The Self-Insured Health Benefits Internal Service Fund was established to report all activities related to the District's self-insured health benefits plan, which covers all district employees. The total contributions (both district and employee) to the plan for 2018–2019 totaled \$50.86 million, and claims paid or accrued totaled \$51.25 million, resulting in net position decreasing \$.02 million to \$12.31 million at year-end.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At year-end, the District has net capital assets of \$287.71 million representing a broad range of capital assets, including school buildings; athletic facilities; and computer, audio-visual, and other equipment for instructional programs (see Table 8). Total depreciation expense for the year was \$13.55 million.

During 2018–2019, the District invested a total of \$2.78 million in furniture and equipment and \$44.63 million in buildings and construction in progress. The majority of the capital investment can be attributed to major maintenance and building improvement projects funded by proceeds from the Series 2016A General Obligation Building Construction Bond, which were used to fund several projects across the district.

**Table A-8  
Capital Assets**

	2019	2018	Percentage Change
Land	\$ 11,966,353	\$ 8,870,712	34.9 %
Construction in Progress	78,429,511	57,459,545	36.5
Land Improvements	14,812,196	12,976,413	14.1
Buildings and Improvements	389,892,678	390,774,463	(0.2)
Equipment	58,313,509	57,079,806	2.2
Less: Accumulated Depreciation	(265,708,417)	(254,508,554)	4.4
Total General Fund Expenditures	<u>\$ 287,705,830</u>	<u>\$ 272,652,385</u>	5.5

**Long-Term Liabilities**

At year-end, the District had \$169.5 million in bonds, refunding bonds, and certificates of participation outstanding, including unamortized premiums and discounts. This is a decrease of \$16.46 million from the previous year, as shown in Table A-9.

- Outstanding bonds and certificates of participation show a decrease of \$12.47 million, due to the District continuing to make required scheduled payments.
- Premiums and discounts on bonds show a net decrease of \$1.76 million, due to amortization.
- During 2018-2019, the District also retired \$1.2 million of existing capital lease principal.
- The District's liabilities for various long-term employee benefits, including pensions, severance, and compensated absences, decreased \$436.9 million during 2018-2019, mainly due to the decrease in the District's proportionate share of two statewide pension plan liabilities.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Table A-9  
The District's Long-Term Liabilities**

	2019	2018	Percentage Change
General Obligation Bonds	\$ 134,115,000	\$ 146,585,000	(8.5)%
Net Bond Premium and Discount	17,199,212	18,963,317	(9.3)
Certificates of Participation Payable	11,140,000	12,125,000	(8.1)
Capital Leases Payable	7,046,515	8,286,343	(15.0)
Net Pension Liability	242,633,448	677,657,630	(64.2)
Severance Benefits Payable	14,658,880	15,158,315	(3.3)
Compensated Absences Payable	2,354,003	3,749,534	(37.2)
Total Long-Term Liabilities	<u>\$ 429,147,058</u>	<u>\$ 882,525,139</u>	(51.4)
Long-Term Liabilities:			
Due Within One Year	\$ 14,375,901	\$ 15,670,774	
Due in More Than One Year	414,771,157	866,854,365	
Total	<u>\$ 429,147,058</u>	<u>\$ 882,525,139</u>	

### **Bond Ratings**

The District's general obligation bonds carry a rating of Aa1, upgraded by Moody's Investors Services in April 2010, and reconfirmed in February 2016. In preparation for the sale of the Series 2016A General Obligation Building Construction Bond, the District worked with Standard and Poor's and received a rating of AA in February 2016.

### **Limitation on Debt**

The state limits the amount of general obligation debt the District can issue up to 15% of actual market value of all taxable property within the District's boundaries. The estimated market value of all taxable property is \$18.06 billion for calendar year 2019 and the District's debt limit is \$2.71 billion.

The District's outstanding debt is significantly below this limit. The District's outstanding debt as of June 30, 2019 is \$144.89 million. The amount that is applicable to the debt limit calculation is \$142.99 million (total outstanding debt less Debt Service Fund balance).

Additional details of the Districts capital assets and long-term debt activity can be found in the notes to the basic financial statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**FACTORS BEARING ON THE DISTRICT'S FUTURE**

With the exception of the voter-approved operating referendum and building bond referendum, the District is dependent on the state of Minnesota for its revenue authority.

The state's budget outlook has improved steadily since 2012 and the Minnesota Department of Management and Budget's February 2019 forecast calls for the continual improvement over the next several years, but at a slower pace.

Since 2011–2012 school year, the state has provided annual increases to the per pupil unit funding for basic general education aid. The basic general education formula allowance for the 2017–2018 school year was \$6,188, with a 2% increase for the 2018-2019 fiscal year.

The District welcomes additional funding to meet the growing needs of students in the district. Education communities across the state note the imbalance in the funding levels in comparison to the changes in inflationary, hence the growing requests for additional property tax increases through operating referenda across the state.

The District is committed to continuing to engage parents, staff, and business and community members in further budget adjustment discussions and to consider other options for increasing revenues.

The administration appreciates the continued support from the community and is committed to continuing to monitor its spending and striving to maintain sustainable operations.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This CAFR is designed to provide our citizens, taxpayers, customers, 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 Finance Department, Independent School District No. 196, Rosemount – Apple Valley – Eagan Public Schools, 3455 – 153rd Street West, Rosemount, Minnesota 55068.



## **BASIC FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	Governmental Activities 2019
<b>ASSETS</b>	
Cash and Investments	\$ 151,197,546
Receivables:	
Current Taxes	51,604,197
Delinquent Taxes	485,440
Other Governments	31,882,701
Accounts and interest	2,609,259
Prepaid Items	805,792
Inventories	860,090
Net OPEB Prepaid Asset	1,811,073
Capital Assets:	
Capital Assets Not Being Depreciated	90,395,864
Other Capital Assets, Net of Depreciation	197,309,966
Total Assets	<u>528,961,928</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows - Pensions	289,387,498
Deferred Outflows - OPEB	1,407,821
Total Deferred Outflows	<u>290,795,319</u>
<b>LIABILITIES</b>	
Salaries Payable	37,222,782
Accounts and Contracts Payable	10,662,074
Accrued Interest	2,561,958
Due to Other Governmental Units	991,310
Unearned Revenue	9,828,147
Long-Term Liabilities:	
Net Pension Liability	242,633,448
Portion Due Within One Year	14,375,901
Portion Due in More Than One Year	172,137,709
Total Liabilities	<u>490,413,329</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes Levied for Subsequent Year	91,761,955
Deferred Inflows - Pensions	373,220,506
Deferred Inflows - Other Postemployment Benefits	10,076
Total Deferred Inflows of Resources	<u>464,992,537</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	116,725,381
Restricted for:	
General Fund Operating Capital Purposes	4,947,277
State-Mandated Restrictions	5,893,567
Food Service	4,115,839
Community Service	2,803,613
Capital Asset Acquisition	7,507,409
Other Postemployment Benefits	1,811,073
Unrestricted	(279,452,778)
Total Net Position	<u>\$ (135,648,619)</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

2019					Net (Expense)
Functions	Expenses	Program Revenues			Revenue and
		Charges for	Operating	Capital	Change in
					Net Position
		Services	Grants and	Grants and	Total
			Contributions	Contributions	Governmental
					Activities
<b>GOVERNMENTAL ACTIVITIES</b>					
Administration	\$ 12,051,588	\$ 429,722	\$ 1,042,606	\$ 26,498	\$ (10,552,762)
District Support Services	11,702,181	258,441	168,864	1,848,964	(9,425,912)
Regular Instruction	121,251,866	3,810,261	17,381,449	655,056	(99,405,100)
Vocational Education Instruction	3,561,099	940	1,589,065	15,575	(1,955,519)
Special Education Instruction	73,220,623	1,082,057	45,518,571	-	(26,619,995)
Instructional Support Services	16,663,894	17,965	2,765,084	2,018	(13,878,827)
Pupil Support Services	24,625,849	242,342	19,344,205	108,084	(4,931,218)
Sites and Buildings	34,429,780	-	4,014,599	2,644,675	(27,770,506)
Fiscal and Other Fixed Cost Programs	1,182,069	-	-	-	(1,182,069)
Food Service	12,227,206	7,049,877	5,800,312	-	622,983
Community Service	7,301,923	3,663,168	3,718,626	-	79,871
Depreciation Not Allocated Directly to Programs	10,310,511	-	-	-	(10,310,511)
Interest and Fiscal Charges on					
Long-Term Liabilities	5,145,850	-	-	-	(5,145,850)
Total School District	<u>\$ 333,674,439</u>	<u>\$ 16,554,773</u>	<u>\$ 101,343,381</u>	<u>\$ 5,300,870</u>	<u>(210,475,415)</u>
<b>GENERAL REVENUES</b>					
Property Taxes Levied for:					
General Purposes					72,968,496
Community Service					1,675,955
Debt Service					16,632,558
State Aid Not Restricted to Specific Purposes					212,253,653
Earnings on Investments					3,014,218
Miscellaneous					362,703
Total General Revenues					<u>306,907,583</u>
<b>CHANGE IN NET POSITION</b>					96,432,168
Net Position - Beginning					(232,311,479)
Prior Period Restatement - See Note 10					230,692
Net Position - Beginning, as Restated					<u>(232,080,787)</u>
<b>NET POSITION - ENDING</b>					<u><u>\$ (135,648,619)</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Major Funds					Total Governmental	
	General	Food Service	Community Service	Capital Projects	Debt Service	Funds	
						2019	2018
<b>ASSETS</b>							
Cash and Investments	\$ 90,294,594	\$ 3,949,071	\$ 4,230,165	\$ 7,507,409	\$ 9,811,881	\$ 115,793,120	\$ 150,231,935
Cash with Fiscal Agent	-	-	-	-	-	-	8,244
Receivables:							
Current Property Taxes	41,030,517	-	916,076	-	9,657,604	51,604,197	48,116,955
Delinquent Property Taxes	378,514	-	9,524	-	97,402	485,440	367,429
Due from Minnesota Department of Education	27,393,186	120,171	373,072	-	14,051	27,900,480	27,133,607
Due from Federal through Minnesota Department of Education	2,691,042	672,591	6,332	-	-	3,369,965	3,402,111
Due from Federal Government Received Directly	357,568	-	-	-	-	357,568	637,689
Due from Other Governmental Units	199,163	-	5,068	-	50,457	254,688	403,643
Accounts and Interest Receivable	2,511,434	20,392	77,433	-	-	2,609,259	1,653,797
Due from Other Funds	-	-	-	-	-	-	5,477
Prepays	801,507	-	4,285	-	-	805,792	432,364
Inventory	619,872	240,218	-	-	-	860,090	826,878
<b>Total Assets</b>	<b>\$ 166,277,397</b>	<b>\$ 5,002,443</b>	<b>\$ 5,621,955</b>	<b>\$ 7,507,409</b>	<b>\$ 19,631,395</b>	<b>\$ 204,040,599</b>	<b>\$ 233,220,129</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
Liabilities:							
Salaries and Compensated Absences Payable	\$ 17,524,852	\$ 195,258	\$ 345,089	\$ -	\$ -	\$ 18,065,199	\$ 21,504,348
Payroll Deductions and Employer	19,157,583	-	-	-	-	19,157,583	18,533,831
Accounts and Contracts Payable	4,986,004	278,861	107,306	1,479,722	-	6,851,893	13,657,909
Due to Other Governmental Units	985,630	60	5,620	-	-	991,310	308,843
Due to Other Funds	-	-	-	-	-	-	5,477
Unearned Revenue	81,500	412,425	668,675	-	-	1,162,600	1,357,274
<b>Total Liabilities</b>	<b>42,735,569</b>	<b>886,604</b>	<b>1,126,690</b>	<b>1,479,722</b>	<b>-</b>	<b>46,228,585</b>	<b>55,367,682</b>
Deferred Inflows of Resources:							
Unavailable Revenue - Property Taxes Levied for Subsequent Year	72,236,301	-	1,691,652	-	17,834,002	91,761,955	87,414,461
Unavailable Revenue - Delinquent Property Taxes	378,514	-	9,524	-	97,402	485,440	367,422
<b>Total Deferred Inflows of Resources</b>	<b>72,614,815</b>	<b>-</b>	<b>1,701,176</b>	<b>-</b>	<b>17,931,404</b>	<b>92,247,395</b>	<b>87,781,883</b>
Fund Balance:							
Nonspendable:							
Prepays	801,507	-	4,285	-	-	805,792	432,364
Inventory	619,872	240,218	-	-	-	860,090	826,878
Restricted for:							
Adult Basic Education	-	-	505,996	-	-	505,996	521,073
Capital Projects Levy	1,150,621	-	-	-	-	1,150,621	832,405
Community Education	-	-	420,498	-	-	420,498	375,884
Early Childhood and Family Education	-	-	471,540	-	-	471,540	319,913
Long-Term Facility Maintenance	4,071,499	-	-	-	-	4,071,499	2,802,382
Medical Assistance	671,447	-	-	-	-	671,447	303,240
Operating Capital	4,947,277	-	-	-	-	4,947,277	5,380,671
School Readiness	-	-	1,210,605	-	-	1,210,605	955,481
Other Purposes	-	3,875,621	181,165	6,027,687	2,254,615	12,339,088	43,221,208
Assigned for:							
Site Carry-Over	-	-	-	-	-	-	1,531,851
Subsequent Year Budget Deficit	1,311,999	-	-	-	-	1,311,999	6,867,403
Unassigned for:							
Unassigned	37,352,791	-	-	-	(554,624)	36,798,167	25,699,811
<b>Total Fund Balance</b>	<b>50,927,013</b>	<b>4,115,839</b>	<b>2,794,089</b>	<b>6,027,687</b>	<b>1,699,991</b>	<b>65,564,619</b>	<b>90,070,564</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 166,277,397</b>	<b>\$ 5,002,443</b>	<b>\$ 5,621,955</b>	<b>\$ 7,507,409</b>	<b>\$ 19,631,395</b>	<b>\$ 204,040,599</b>	<b>\$ 233,220,129</b>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<u>2019</u>
<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 65,564,619</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	11,966,353
Construction in Progress	78,429,511
Land Improvements, Net of Accumulated Depreciation	4,071,086
Buildings and Improvements, Net of Accumulated Depreciation	178,695,344
Equipment, Net of Accumulated Depreciation	14,543,536
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds.	
	485,440
The District's net other postemployment Benefits asset and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:	
Net Other Postemployment Benefits Asset	1,811,073
Deferred Inflows of Resources - Other Postemployment Benefits	(10,076)
Deferred Outflows of Resources - Other Postemployment Benefits	1,407,821
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	
	(2,561,958)
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	(242,633,448)
Deferred Inflows of Resources - Pensions	(373,220,506)
Deferred Outflows of Resources - Pensions	289,387,498
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	(134,115,000)
Unamortized Premiums	(17,201,642)
Unamortized Discounts	2,430
Certificates of Participation Payable	(11,140,000)
Obligations Under Capital Leases	(7,046,515)
Compensated Absences Payable	(2,354,003)
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:	
	<u>8,269,818</u>
<b>Total Net Position of Governmental Activities</b>	<b><u>\$ (135,648,619)</u></b>

See accompanying Notes to Basic Financial Statements.



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Major Funds					Total Governmental	
	General	Food Service	Community Service	Capital Projects	Debt Service	Funds	
						2019	2018
REVENUES							
Local Sources:							
Property Taxes	\$ 72,874,150	\$ -	\$ 1,673,788	\$ -	\$ 16,611,053	\$ 91,158,991	\$ 89,682,487
Earnings and Investments	1,564,028	106,219	112,471	434,988	172,781	2,390,487	1,720,017
Other	10,254,691	7,094,349	4,003,849	97,152	-	21,450,041	21,241,570
State Sources	281,583,679	793,658	3,227,499	-	141,650	285,746,486	275,878,205
Federal Sources	10,805,733	5,373,773	52,596	-	-	16,232,102	15,834,368
Total Revenues	377,082,281	13,367,999	9,070,203	532,140	16,925,484	416,978,107	404,356,647
EXPENDITURES							
Current:							
Administration	16,342,073	-	-	-	-	16,342,073	15,635,347
District Support Services	12,008,717	-	-	-	-	12,008,717	10,917,293
Elementary and Secondary Regular Instruction	177,357,744	-	-	-	-	177,357,744	174,621,960
Vocational Education Instruction	5,396,017	-	-	-	-	5,396,017	5,162,722
Special Education Instruction	72,650,167	-	-	-	-	72,650,167	72,658,301
Instructional Support Services	22,489,640	-	-	-	-	22,489,640	21,728,458
Pupil Support Services	26,181,738	-	-	-	-	26,181,738	26,458,232
Sites and Buildings	25,398,051	-	-	-	-	25,398,051	28,216,598
Fiscal and Other Fixed Cost Programs	1,182,069	-	-	-	-	1,182,069	582,782
Food Service	-	12,113,867	-	-	-	12,113,867	11,258,394
Community Service	204,031	-	8,729,681	-	-	8,933,712	8,751,046
Capital Outlay	8,485,551	349,022	9,882	31,205,632	-	40,050,087	59,708,087
Debt Service:							
Principal	2,224,828	-	-	-	12,470,000	14,694,828	14,079,855
Interest and Fiscal Charges	643,895	-	-	-	6,348,194	6,992,089	7,595,387
Total Expenditures	370,564,521	12,462,889	8,739,563	31,205,632	18,818,194	441,790,799	457,374,462
EXCESS (DEFICIENCY) OF REVENUES							
OVER (UNDER) EXPENDITURES	6,517,760	905,110	330,640	(30,673,492)	(1,892,710)	(24,812,692)	(53,017,815)
OTHER FINANCING SOURCES							
Sale of Equipment	19,383	-	-	-	-	19,383	23,971
Capital Leases	-	-	-	-	-	-	1,043,209
Insurance Recovery	56,303	-	-	-	-	56,303	311,212
Judgments for the School District	369	-	-	-	-	369	-
Transfers In	-	-	135,509	-	-	135,509	-
Transfers Out	(135,509)	-	-	-	-	(135,509)	-
Total Other Financing Sources	(59,454)	-	135,509	-	-	76,055	1,378,392
NET CHANGE IN FUND BALANCE							
	6,458,306	905,110	466,149	(30,673,492)	(1,892,710)	(24,736,637)	(51,639,423)
FUND BALANCE							
Beginning of Year	44,468,707	2,980,037	2,327,940	36,701,179	3,592,701	90,070,564	141,709,987
Prior Period Restatement	-	230,692	-	-	-	230,692	-
Beginning of Year - as Restated	44,468,707	3,210,729	2,327,940	36,701,179	3,592,701	90,301,256	141,709,987
End of Year	\$ 50,927,013	\$ 4,115,839	\$ 2,794,089	\$ 6,027,687	\$ 1,699,991	\$ 65,564,619	\$ 90,070,564

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE GOVERNMENTAL FUNDS  
TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

<b>Net Change in Fund Balance - Total Governmental Funds</b>	<u>2019</u> <u>\$ (24,736,637)</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is:	
Capital Outlays	28,729,150
Gain (Loss) on Disposal of Capital Assets	(105,517)
Proceeds from the Sales of Capital Assets	(19,383)
Depreciation Expense	(13,550,805)
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 deferred in the governmental funds.	118,018
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.	
Principal Payments - Capital Leases	1,239,828
Pension expenditures in the governmental funds are measured by current year employer contributions. Pension expense in the statement of activities is measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	87,893,917
In the statement of activities, certain operating expenses - compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).	1,395,531
OPEB expense in the statement of activities is measured by the change in the net OPEB liability or asset and the related deferred inflows and outflows of resources.	(612,888)
The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:	
Repayment of Bond Principal	12,470,000
Repayment of Certificates of Participation Payable	985,000
Change in Accrued Interest	82,134
Amortization of Bond Premium	1,779,239
Amortization of Bond Discount	(15,134)
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.	
Total	<u>779,715</u> <u>\$ 96,432,168</u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 72,446,818	\$ 72,449,072	\$ 72,874,150	\$ 425,078
Earnings and Investments	300,000	1,200,000	1,564,028	364,028
Other	7,379,997	10,598,824	10,254,691	(344,133)
State Sources	278,193,270	284,141,169	281,583,679	(2,557,490)
Federal Sources	10,785,262	11,768,444	10,805,733	(962,711)
Total Revenues	369,105,347	380,157,509	377,082,281	(3,075,228)
<b>EXPENDITURES</b>				
Current:				
Administration	16,497,249	16,487,423	16,342,073	(145,350)
District Support Services	13,404,557	13,724,787	12,008,717	(1,716,070)
Elementary and Secondary Regular Instruction	176,364,046	177,309,044	177,357,744	48,700
Vocational Education Instruction	5,303,279	5,266,479	5,396,017	129,538
Special Education Instruction	73,152,309	72,937,445	72,650,167	(287,278)
Community Service	205,317	115,845	204,031	88,186
Instructional Support Services	19,637,762	20,657,156	22,489,640	1,832,484
Pupil Support Services	25,896,874	26,076,043	26,181,738	105,695
Sites and Buildings	22,182,029	22,148,087	25,398,051	3,249,964
Fiscal and Other Fixed Cost Programs	2,291,771	2,291,771	1,182,069	(1,109,702)
Capital Outlay	13,219,722	15,028,805	8,485,551	(6,543,254)
Debt Service:				
Principal	1,424,720	1,424,720	2,224,828	800,108
Interest and Fiscal Charges	276,737	276,737	643,895	367,158
Total Expenditures	369,856,372	373,744,342	370,564,521	(3,179,821)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(751,025)	6,413,167	6,517,760	104,593
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	-	19,383	19,383
Insurance Recovery	-	200,000	56,303	(143,697)
Judgments for the School District	-	-	369	369
Transfers Out	-	(50,000)	(135,509)	(85,509)
Total Other Financing Sources (Uses)	-	150,000	(59,454)	(209,454)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (751,025)</u>	<u>\$ 6,563,167</u>	6,458,306	<u>\$ (104,861)</u>
<b>FUND BALANCE</b>				
Beginning of Year			44,468,707	
End of Year			<u>\$ 50,927,013</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
FOOD SERVICE FUND  
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Over (Under)
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ 15,500	\$ 45,500	\$ 106,219	\$ 60,719
Other - Primarily Meal Sales	6,874,504	6,702,504	7,094,349	391,845
State Sources	775,575	732,575	793,658	61,083
Federal Sources	5,203,254	5,151,254	5,373,773	222,519
Total Revenues	12,868,833	12,631,833	13,367,999	736,166
<b>EXPENDITURES</b>				
Current:				
Food Service	12,641,822	12,604,407	12,113,867	(490,540)
Capital Outlay	340,000	340,000	349,022	9,022
Total Expenditures	12,981,822	12,944,407	12,462,889	(481,518)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (112,989)</u>	<u>\$ (312,574)</u>	905,110	<u>\$ 1,217,684</u>
<b>FUND BALANCE</b>				
Beginning of Year			2,980,037	
Prior Period Restatement - See Note 10			230,692	
Beginning of Year - as Restated			<u>3,210,729</u>	
End of Year			<u>\$ 4,115,839</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
COMMUNITY SERVICE FUND  
YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,654,113	\$ 1,662,238	\$ 1,673,788	\$ 11,550
Earnings and Investments	4,500	45,000	112,471	67,471
Other - Primarily Tuition and Fees	3,976,079	4,030,193	4,003,849	(26,344)
State Sources	3,223,451	3,266,010	3,227,499	(38,511)
Federal Sources	47,309	52,944	52,596	(348)
Total Revenues	<u>8,905,452</u>	<u>9,056,385</u>	<u>9,070,203</u>	<u>13,818</u>
<b>EXPENDITURES</b>				
Current:				
Community Service	8,985,383	8,856,698	8,729,681	(127,017)
Capital Outlay	25,300	24,300	9,882	(14,418)
Total Expenditures	<u>9,010,683</u>	<u>8,880,998</u>	<u>8,739,563</u>	<u>(141,435)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(105,231)	175,387	330,640	155,253
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>-</u>	<u>50,000</u>	<u>135,509</u>	<u>85,509</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (105,231)</u>	<u>\$ 225,387</u>	466,149	<u>\$ 240,762</u>
<b>FUND BALANCE</b>				
Beginning of Year			<u>2,327,940</u>	
End of Year			<u>\$ 2,794,089</u>	

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**INTERNAL SERVICE FUND**  
**JUNE 30, 2019**

	Governmental Activities - Internal Service Funds
	<u>Service Funds</u>
<b>ASSETS</b>	
Cash and Investments	\$ 35,404,426
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Claims Payable - Medical	3,810,181
Severance Benefits Payable	1,508,779
Unearned Revenue	<u>8,665,547</u>
Total Current Liabilities	13,984,507
<b>Long-Term Liabilities:</b>	
Severance Benefits Payable	<u>13,150,101</u>
Total Liabilities	<u>27,134,608</u>
<b>NET POSITION</b>	
Unrestricted	<u><u>\$ 8,269,818</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2019**

	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES</b>	
Local Sources:	
Contributions from Governmental Funds	\$ 45,793,340
Contributions from Employees	6,793,387
Total Operating Revenues	<u>52,586,727</u>
<b>OPERATING EXPENSES</b>	
Severance Benefits	768,317
Self-Insured Benefits	51,662,426
Total Operating Expenses	<u>52,430,743</u>
<b>OPERATING INCOME (LOSS)</b>	155,984
<b>NONOPERATING REVENUE</b>	
Earnings on Investments	<u>623,731</u>
<b>CHANGE IN NET POSITION</b>	779,715
Net Position - Beginning	<u>7,490,103</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 8,269,818</u></u>

See accompanying Notes to Basic Financial Statements.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
INTERNAL SERVICE FUND  
YEAR ENDED JUNE 30, 2019**

	Governmental Activities - Internal Service Funds
	<u>                    </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Assessments Made to Other Funds	\$ 45,793,340
Receipts from Employee Contributions	7,479,678
Payments for Severance, OPEB, and Self-Insured Claims	<u>(52,345,633)</u>
Net Cash Provided (Used) by Operating Activities	927,385
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>623,731</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,551,116
Cash and Cash Equivalents - Beginning	<u>33,853,310</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u><u>\$ 35,404,426</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating Income (Loss)	\$ 155,984
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Increase (Decrease) in Claims Payable	584,545
Increase in Unearned Revenue	686,291
Increase (Decrease) in Severance Benefits Payable	<u>(499,435)</u>
Total Adjustments	<u>771,401</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 927,385</u></u>

See accompanying Notes to Basic Financial Statements.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019**

	Employee Benefit Trust	OPEB Irrevocable Trust	Agency Funds
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 629,395	\$ -	\$ 33,357
Investments	-	56,985,170	-
Total Assets	629,395	56,985,170	\$ 33,357
<b>LIABILITIES</b>			
Accounts and Contracts Payable	-	2,500,000	\$ 33,357
<b>NET POSITION</b>			
Restricted for Employee Benefits and OPEB	\$ 629,395	\$ 54,485,170	

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2019**

	Employee Benefit Trust	OPEB Irrevocable Trust
<b>ADDITIONS</b>		
Plan Member Contributions	\$ 1,673,854	\$ -
Employer Contributions	-	2,283,071
Earnings on Investments	-	3,028,266
Total Additions	1,673,854	5,311,337
<b>DEDUCTIONS</b>		
Benefits Paid to Plan Members	-	4,783,071
Employee Benefits	1,589,502	-
Total Deductions	1,589,502	4,783,071
<b>NET INCREASE IN NET POSITION</b>	84,352	528,266
Net Position - Beginning of Year	545,043	53,956,904
<b>NET POSITION - END OF YEAR</b>	\$ 629,395	\$ 54,485,170

See accompanying Notes to Basic Financial Statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The financial statements of Independent School District No. 196 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. Financial Reporting Entity**

Independent School District No. 196 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes and is an instrumentality of the state of Minnesota established to function as an educational institution. The District is governed by a seven-member School Board elected by voters of the District to serve four-year terms.

Accounting Principles Generally Accepted in the United States of America (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.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no organizations considered to be component units of the District.

In addition to component units, the District is required to disclose its relationships with related organizations. The District is a member of Technology and Information Educational Services (TIES), a consortium of Minnesota school districts that provides data processing services and support to its member districts. TIES is a separate legal entity that is financially independent of the District. Further, the District does not appoint a voting majority of TIES' Board of Directors. Therefore, TIES is not included as part of the District's reporting entity. During the fiscal year ended June 30, 2019, the District paid TIES \$1,441,418 for services provided.

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

**B. Financial Reporting Entity (Continued)**

Extracurricular student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School 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 School 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. 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, except for the fiduciary funds. The Fiduciary Funds are only reported in the statements of Fiduciary Net Position at the fund financial statement level.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: employee benefit trust, private purpose trust, OPEB irrevocable trust and agency. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide statements.

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**C. Basic Financial Statement Presentation (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service funds is charges for services in the form of health and dental insurance premiums, early retirement incentive costs, and sick pay.

Operating expenses for the internal service funds include the cost of services (claims and admin costs). All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 accounting principles generally accepted in the United States of America. 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.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

D. Measurement Focus and Basis of Accounting (Continued)

**2. Recording of Expenditures**

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements 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. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

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. The District maintains three accounts within the General Fund:

Operating Account – The Operating Account is used to account for the general operations of the District.

Pupil Transportation Account – The Pupil Transportation Account is used to account for pupil transportation activities of the District.

Capital Expenditures Accounts – The Capital Expenditures Account is used to account for the maintenance of facilities, equipment purchases, and disabled accessibility projects.

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures.

Community Service Special Revenue Fund

The Community Service Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, or other similar services.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

D. Measurement Focus and Basis of Accounting (Continued)

Capital Projects – Building Construction Fund

The Capital Projects 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 obligation bond principal, interest, and related costs. The District maintains a separate Other Postemployment Benefits (OPEB) account within the Debt Service Fund to account for OPEB-related debt activity. All other debt is recorded in the General Debt Service Account.

*Proprietary Fund*

Internal Service Funds

Internal Service Funds are used to account for the financial resources used for the District's self-insurance of the employee dental and health insurance programs as well as the District's severance benefits. As proprietary funds the internal service funds employ the economic resources measurement focus, and are accounted for on the accrual basis.

*Fiduciary Funds*

Employee Benefit Trust Fund

The Employee Benefit Trust Fund is used to administer resources received and held by the District as the trustee for employees participating in the District's flexible benefit plan (Internal Revenue Code § 125 Cafeteria Plan).

Other Postemployment Benefit Trust

The Other Postemployment Benefit Trust Fund is used to account for resources set aside and held in an irrevocable trust arrangement for postemployment benefits.

Agency Fund

The Agency funds are established to account for cash and other assets held by the District as the agent for others. The District maintains two agency funds used to account for a Graduate Credit Program (a continuing education program organized for the benefit of district certified staff) and Minnesota Reading Recovery Conference (a continuing education conference to strengthen implementation of Reading Recovery and early literacy).

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**E. Budgeting**

The School Board adopted annual budgets for the General Fund (including separate budgets for the Operating, Pupil Transportation, and Capital Expenditure Accounts), Food Service Special Revenue, Community Service Special Revenue, Capital Projects – Building Construction, and Debt Service Funds (including separate budgets for the General Account and OPEB Account). The budget for each fund is prepared on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. All appropriations lapse at year-end. Actual expenditures for the year ended June 30, 2019 did not exceed budgeted amounts in any of the District's funds for which budgets are adopted.

**F. Cash and Investments**

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Earnings from the investments of the Capital Projects – Building Construction Fund, the Debt Service Fund, and all trust funds are allocated directly to those funds/accounts.

Cash and investments include balances held in segregated accounts established for specific purposes. In the Capital Projects – Building Construction Fund, this represents capital lease proceeds held by a trustee available for the renovation of an elementary school.

For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments with an original maturity from the time of purchase by the District of three months or less to be cash equivalent. The proprietary funds' equity in the government-wide cash and investment management pool is considered to be cash equivalent.

Investments are generally stated at fair value, except for investments in external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less are also reported at amortized cost. Investment income is accrued at the Balance Sheet date.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**F. Cash and Investments (Continued)**

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the District's recurring fair value measurements as of year-end.

**G. Accounts Receivable**

Accounts receivable represent amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. The only receivables not expected to be fully collected within one year are delinquent property taxes receivable.

**H. Inventories**

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

**I. Prepaid Items**

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

**J. Property Taxes**

Property tax levies are established by the School 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.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**J. Property Taxes (Continued)**

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the “tax shift,” which periodically changes the District’s recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year’s levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes \$3,340,555 of the property tax levy collectible in 2020 as revenue to the District in fiscal year 2018–2019. The remaining portion of the taxes collectible in 2020 is recorded as a deferred inflow of resources (property taxes levied for the subsequent year).

Taxes which 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 reported as a deferred inflow of resources (unavailable revenue) in the governmental fund financial statements because if it not considered to be available to finance the current operations of the District.

**K. 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 acquisition value at the date of donation. The District defines capital assets as those with an initial, individual cost of \$5,000 or more, which benefit more than one fiscal year. 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 statements, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since assets are generally sold for an immaterial amount or scrapped when no longer fit or needed for public school purposes 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 15 years for furniture and equipment. Land and construction in progress are not depreciated.

The District does not possess material amounts of infrastructure capital assets, such as sidewalks or parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**L. 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.

**M. Compensated Absences**

Under the terms of collectively bargained contracts, eligible employees accrue vacation and sick leave at varying rates, portions of which may be carried over to future years. Employees are reimbursed for any unused, accrued vacation upon termination. Unused sick leave enters into the calculation of certain termination payments for some employees. Compensated absences are accrued in governmental fund financial statements only when used or matured prior to year-end due to employee termination or similar circumstances, and are paid by the General Fund and special revenue funds. Unused vacation pay is accrued when incurred in the government-wide financial statements.

**N. Severance Benefits**

The District provides lump sum severance benefits to eligible employees in accordance with provisions of certain collectively bargained contracts. Eligibility is based on years of service and/or minimum age requirements. Severance benefits are calculated by converting a portion of an eligible employee's unused accumulated sick leave. Severance benefits for any individual cannot exceed one year's salary.

Members of certain employee groups may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan established under IRC Section 403(b). The amount of any severance benefits due to an individual is reduced by the total matching contributions made by the District to such a plan over the course of that individual's employment. If the District's 403(b) matching contributions for an individual employee exceed the severance benefits due that individual, the excess would then reduce any OPEB (described later in these notes) earned by that individual.

Severance benefits are required to be paid out within 30 days following the effective date of retirement. Severance benefits for eligible teachers are paid into a post-retirement, healthcare savings plan administered by the Minnesota State Retirement System. For other employees, severance benefits are paid into a pay deferral plan or healthcare savings plan as directed by the individual retirees.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**N. Severance Benefits (Continued)**

The District has established a separate Internal Service Fund to account for its severance benefits liability. Severance benefits payable, along with any related benefit costs, are accrued in the government-wide and proprietary fund financial statements as they are earned and it becomes probable they will vest at some point in the future.

**O. Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net positions of the Public Employees Retirement Association (PERA) and Teachers Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and TRA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, city of Minneapolis, and Minneapolis School District. This direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association (DTRFA) in 2015.

PERA has a special funding situation created by a direct aid contribution made by the state of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015. Additional information can be found in Note 6.

**P. Other Postemployment Benefits Payable**

The District operates and administers a single-employer defined benefit other postemployment benefit plan (the Plan) that provides health insurance to eligible employees and their spouses through the District's self-insured health insurance plan. There are 3,280 active participants and 188 retired participants. Benefit and eligibility provisions are established through contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The Plan does not issue a publicly available financial report. See note 7 for further information.

**Q. Risk Management**

1. General Insurance – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which it carries commercial insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage in fiscal year 2019.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**Q. Risk Management (Continued)**

2. Self-Insurance – The District has established two internal service funds to account for and finance its uninsured risk of loss for respective employee dental and health insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various dental and healthcare costs as described in the plan.

The District made premium payments to the internal service funds on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss health insurance premium costs and administrative service charges.

District claim 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 complex factors such 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. Claim liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balance of dental claim liabilities for the last two years were as follows:

Fiscal Year Ended June 30,	Claims Payable Beginning of Year	Current Year Claims	Claim Payments	Claims Payable End of Year
2018	\$ 5,038	\$ 400,949	\$ 391,774	\$ 14,213
2019	14,213	410,243	414,147	10,309

Changes in the balance for health insurance claim liabilities for the last two years were as follows:

Fiscal Year Ended June 30,	Claims Payable Beginning of Year	Current Year Claims	Claim Payments	Claims Payable End of Year
2018	\$ 3,443,736	\$ 46,647,328	\$ 46,879,641	\$ 3,211,423
2019	3,211,423	51,252,183	50,663,734	3,799,872

**R. 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.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**R. Deferred Outflows/Inflows of Resources (Continued)**

The District has two types of items that qualify for reporting in this category as deferred outflows of resources related to pensions and other postemployment benefits. See Notes 6 and 7 for details.

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 three types of deferred inflows, two of which are related to revenue recognition. The first is property taxes levied for subsequent year. As an imposed nonexchange revenue transaction, property taxes received or reported as a receivable before the period for which the property taxes are levied are reported as a deferred inflow of resources in the government-wide financial statements and in the governmental fund financial statements. The second type of deferred inflow of resources is delinquent property taxes. Governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's year-end) under the modified accrual basis of accounting. Delinquent taxes not collected within 60 days after the District's year-end are considered unavailable and reported as a deferred inflow of resources in the governmental fund financial statements. The District also has deferred inflows of resources related to pensions and other postemployment benefits. See Notes 6 and 7 for details.

**S. Unearned Revenue**

Unearned revenues are those in which resources are received by the District before it has a legal claim to them. The District has reported unearned revenues for prepaid General Fund and Community Service Fund revenues and school lunch balances for students in the Food Service Fund.

**T. 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 School Board. Those committed amounts cannot be used for any other purposes unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

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

**T. Fund Balance (Continued)**

Assigned – consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. The School Board passed a resolution authorizing the Superintendent or other authorized designee to establish assignments of fund balance.

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 minimum unassigned fund balance target of 5% of annual operating expenditures.

**U. Net Position**

Net position represents the difference between assets, deferred outflow 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 its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. All other net position that does not meet the definition of restricted or net investment in capital assets is presented as unrestricted.

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

**V. Comparative Data**

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**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, 2019 is \$39,289,472 and \$40,747,960, respectively, and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes. In addition, the District's fiduciary funds had deposits with carrying value of \$662,752.

**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



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

B. Investments (Continued)

- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories
- Repurchase or reverse purchase agreement and securities lending agreements financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers
- Investments related to the OPEB Revocable Trust Fund may be invested in accordance with Minnesota Statute 356A.06.

At June 30, 2019, the District’s investment balances were as follows:

	Amortized Cost
MSDLAF+ Liquid Class	\$ 10,018,872
MSDLAF+ Max Class	28,986,432
MN Trust Investment Shares	31,389,323
Commercial Paper	42,175,997
Total Investments at Amortized Cost	<u>\$ 112,570,624</u>

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

**B. Investments (Continued)**

**Investments Held in Other Postemployment Benefit Trust –**

The following investments are held within the other postemployment benefit trust. The funds are invested in accordance with the investment policy adopted by the District for the OPEB Trust. State statute does not limit the allowable investments for OPEB trust assets.

	Fair Value
U.S. Treasuries with Maturities at Purchase of Greater Than 1 Year	\$ 8,926,925
Other Mortgage-Backed Securities	299,609
Corporate Bonds	11,772,328
Equities	23,032,243
Alternative Investments	5,700,891
Real Estate Investment Trusts (REITs)	146,930
Real Asset Funds	3,940,678
Total	<u>\$ 53,819,604</u>

	Amortized Cost
Money Markets	<u>\$ 3,165,566</u>

***Credit Risk and Interest Rate Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

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.

The credit ratings and maturities of the District's investments are as follows:

Type	Total	Maturity Duration in Years			No Maturities	Rating
		Less Than 1	1 to 2	2 to 5		
MSDLAF+ Liquid Class	\$ 10,018,872	\$ -	\$ -	\$ -	\$ 10,018,872	AA
MSDLAF+ Max Class	28,986,432	-	-	-	28,986,432	A-1
Commercial Paper	42,175,997	42,175,997	-	-	-	P1/A1
MN Trust Investment Shares	31,389,323	-	-	-	31,389,323	AAA
Total	<u>\$ 112,570,624</u>	<u>\$ 42,175,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,394,627</u>	

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

**B. Investments (Continued)**

The credit ratings and average duration for the OPEB Trust assets are as follows:

Type	Total	Maturity Duration in Years				Rating
		Less Than 1	1 to 5	6 to 10	No Maturities	
U.S. Treasury Notes	\$ 8,926,925	\$ -	\$ 8,568,777	\$ 358,148	\$ -	N/A
Other Mortgage-Backed Securities	299,609	-	299,609	-	-	AAA/AAA
Corporate Bonds	11,772,328	946,208	10,462,417	363,703	-	Baa2/BBB
Mutual Funds	5,700,891	-	-	-	5,700,891	N/A
Equities	23,032,243	-	-	-	23,032,243	N/A
Real Estate Investment Trusts (REITs)	146,930	-	-	-	146,930	N/A
Real Asset Funds	3,940,678	-	-	-	3,940,678	N/A
Money Markets	3,165,566	-	-	-	3,165,566	N/A
Total	<u>\$ 56,985,170</u>	<u>\$ 946,208</u>	<u>\$ 19,330,803</u>	<u>\$ 721,851</u>	<u>\$ 35,986,308</u>	

**Custodial Credit Risk** – For an investment, custodial risk is the risk that, in the event of failure of the counterparty, the School District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The School District's investment policy requires that brokers provide insurance to cover balances held in each investment account. As of June 30, 2019, the investment balances were fully covered by insurance for each brokerage firm.

**Concentration of Credit Risk**

The District places no limit on the amount that the District may invest in any one issuer. Currently, the District did not have investments with any issuer which individually comprised more than 5% of total investments.

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

Cash and Investments - Statement of Net Position	\$ 151,197,546
Cash and Cash Equivalents - Statement of Fiduciary Net Position	<u>57,647,922</u>
Total Cash and Investments	<u>\$ 208,845,468</u>

**C. Fair Value Measurements**

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

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

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

C. Fair Value Measurements (Continued)

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

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

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

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

All of the District's \$112,570,624 in investments are measured at amortized cost and are therefore not subject to fair value leveling. However, the District's OPEB Trust consists of assets measured at both fair value and amortized cost.

Assets of the OPEB Trust measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ 8,926,925	\$ -	\$ -	\$ 8,926,925
Other Mortgage-Backed Securities	-	299,609	-	299,609
Corporate Bonds	11,772,328	-	-	11,772,328
Equities	23,032,243	-	-	23,032,243
Mutual Funds	5,700,891	-	-	5,700,891
Real Estate Investment Trusts (REITs)	-	146,930	-	146,930
Real Asset Funds	-	3,940,678	-	3,940,678
Total	<u>\$ 49,432,387</u>	<u>\$ 4,387,217</u>	<u>\$ -</u>	<u>53,819,604</u>
Investments Measured at Amortized Cost				3,165,566
Total				<u>\$ 56,985,170</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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**NOTE 3 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 8,870,712	\$ 3,095,641	\$ -	\$ 11,966,353
Construction in Progress	57,459,545	23,564,500	(2,594,534)	78,429,511
Total Capital Assets, Not Being Depreciated	66,330,257	26,660,141	(2,594,534)	90,395,864
Capital Assets, Being Depreciated:				
Land Improvements	12,976,413	1,835,783	-	14,812,196
Buildings and Improvements	390,774,463	736,666	(1,618,451)	389,892,678
Furniture and Equipment	57,079,806	2,091,094	(857,391)	58,313,509
Total Capital Assets, Being Depreciated	460,830,682	4,663,543	(2,475,842)	463,018,383
Accumulated Depreciation for:				
Land Improvements	(10,466,217)	(274,893)	-	(10,741,110)
Buildings and Improvements	(202,594,161)	(10,096,724)	1,493,551	(211,197,334)
Furniture and Equipment	(41,448,176)	(3,179,188)	857,391	(43,769,973)
Total Accumulated Depreciation	(254,508,554)	(13,550,805)	2,350,942	(265,708,417)
Total Capital Assets, Being Depreciated, Net	206,322,128	(8,887,262)	(124,900)	197,309,966
Governmental Activities Capital Assets, Net	<u>\$ 272,652,385</u>	<u>\$ 17,772,879</u>	<u>\$ (2,719,434)</u>	<u>\$ 287,705,830</u>

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

<b>Governmental Activities</b>	
Administration	\$ 7,930
District Support Services	100,817
Regular Instruction	312,445
Vocational Education Instruction	4,234
Special Education Instruction	17,689
Instructional Support Services	1,938
Pupil Support Services	1,764,522
Sites and Buildings	924,849
Food Service	105,571
Community Service	299
Depreciation Unallocated to Specific Program	10,310,511
Total Depreciation Expense, Governmental Activities	<u>\$ 13,550,805</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
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**NOTE 4 LONG-TERM LIABILITIES**

**A. Components of General Long-Term Debt**

Issue	Issue Date	Net Interest Rate	Original Issue	Final Maturity	Principal Outstanding	
					Due Within One Year	Total
2012C Refunding Bonds	6/7/2012	3.00% - 4.50%	\$ 24,210,000	2/1/2025	\$ 1,885,000	\$ 14,455,000
2013A Refunding Bonds	6/15/2013	2.00% - 3.00%	12,100,000	2/1/2025	1,170,000	8,110,000
2014A Refunding Bonds	6/4/2014	3.00%	2,230,000	2/1/2020	400,000	400,000
2016A School Building Bonds	2/16/2016	1.00% - 5.00%	112,150,000	2/1/2030	7,875,000	111,150,000
Total General Obligation Bonds					11,330,000	134,115,000
Bond Premiums					-	17,201,642
Bond Discounts					-	(2,430)
Certificates of Participation					1,025,000	11,140,000
Capital Lease Payable					896,325	7,046,515
Severance Benefits Payable					1,508,779	14,658,880
Compensated Absences Payable					640,797	2,354,003
Total					<u>\$ 14,375,901</u>	<u>\$ 186,513,610</u>

**B. Descriptions of Long-Term Liabilities**

**General Obligation Bonds Payable**

These bonds were issued to finance the acquisition and/or construction of capital facilities, the retirement (refunding) of prior bond issues, or OPEB. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds and notes. The annual future debt service levies authorized equal 105% of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

**Certificates of Participation**

The District issued certificates of participation of \$2,705,000 in October 2010 to finance the purchase and renovation of a building. This debt requires semiannual principal and interest payments of varying amounts (at rates ranging from 2.0% to 3.5%) for 15 years, maturing in April 2026. These certificates are being repaid from the General Fund.

The District issued certificates of participation of \$13,710,000 in December 2013 to finance the construction of a new Early Childhood/Adult Education facility. This debt requires semiannual principal and interest payments of varying amounts (at rates ranging from 2.0% to 4.0%) for 15 years, maturing in February 2029. These certificates are being repaid from the General Fund.

**Capital Leases**

The District has purchased various assets through capitalized lease-purchase agreements. Annual principal and interest on these leases will be paid from the General Fund.

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ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
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JUNE 30, 2019**

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

**B. Descriptions of Long-Term Liabilities (Continued)**

**Capital Leases**

The District has purchased various assets through capitalized lease-purchase agreements. Annual principal and interest on these leases will be paid from the General Fund.

<u>Asset Leased</u>	<u>Asset Value Capitalized</u>	<u>Interest Rate</u>	<u>Lease Date</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
Generators - School of Environmental Studies and Red Pine Elementary	\$ 392,979	5.50%	8/31/2009	8/31/2019	\$ 9,372
ATP - Building	5,028,875	4.54%	6/2/2012	6/1/2027	2,948,768
Parkview Elementary School	4,200,000	2.91%	11/25/2014	2/1/2030	3,268,552
Vehicles and Mowers	480,000	1.99%	6/21/2016	7/1/2020	194,177
Instruments	140,157		6/1/2018	7/1/2021	84,046
Special Education Bus	903,052	2.56%	7/25/2017	7/25/2022	541,600

Amortization of the assets capitalized through these lease agreements is included in depreciation expense in the government-wide financial statements. The amount charged to depreciation for the year ended June 30, 2019 was \$396,454.

The assets acquired through these capital leases are reported as follows:

	<u>Building</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Assets	\$ 9,447,320	\$ 1,354,868	\$ 10,802,188
Less: Accumulated Depreciation	(1,074,074)	(571,879)	(1,645,953)
Total	<u>\$ 8,373,246</u>	<u>\$ 782,989</u>	<u>\$ 9,156,235</u>

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

**C. Minimum Debt Payments**

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

Year Ending June 30,	General Obligation Bonds Payable		Certificates of Participation Payable	
	Principal	Interest	Principal	Interest
2019	\$ 11,330,000	\$ 5,771,170	\$ 1,025,000	\$ 377,531
2020	11,800,000	5,254,920	1,060,000	346,781
2021	12,205,000	4,713,970	1,090,000	315,406
2022	12,765,000	4,154,623	1,125,000	281,319
2023	13,350,000	3,570,620	1,155,000	844,256
2024-2028	60,010,000	9,030,820	5,685,000	642,638
2029-2030	12,655,000	379,650	-	-
Total	<u>\$ 134,115,000</u>	<u>\$ 32,875,773</u>	<u>\$ 11,140,000</u>	<u>\$ 2,807,931</u>

Year Ending June 30,	Capital Lease Payable		Total	
	Principal	Interest	Principal	Interest
2019	\$ 896,598	\$ 201,573	\$ 13,251,598	\$ 6,350,274
2020	911,879	172,223	13,771,879	5,773,924
2021	837,197	146,876	14,132,197	5,176,252
2022	641,689	122,828	14,531,689	4,558,770
2023	660,684	103,832	15,165,684	4,518,708
2024-2028	2,756,578	235,710	68,451,578	9,909,168
2029-2030	341,890	7,480	12,996,890	387,130
Total	<u>\$ 7,046,515</u>	<u>\$ 990,522</u>	<u>\$ 152,301,515</u>	<u>\$ 36,674,226</u>

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

	June 30, 2018	Additions	Retirements	June 30, 2019
Bonds Payable	\$ 146,585,000	\$ -	\$ 12,470,000	\$ 134,115,000
Bond Premiums	18,980,881	-	1,779,239	17,201,642
Bond Discount	(17,564)	-	(15,134)	(2,430)
Certificates of Participations	12,125,000	-	985,000	11,140,000
Capital Lease Payable	8,286,343	-	1,239,828	7,046,515
Severance Benefits Payable	15,158,315	768,317	1,267,752	14,658,880
Compensated Absences Payable	3,749,534	2,784,526	4,180,057	2,354,003
Total	<u>\$ 204,867,509</u>	<u>\$ 3,552,843</u>	<u>\$ 21,906,742</u>	<u>\$ 186,513,610</u>

Governmental compensated absences and severance benefits are typically liquidated (paid) by the operating funds.



**INDEPENDENT SCHOOL DISTRICT NO. 196  
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**NOTE 5 FUND BALANCES AND NET POSITION**

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. A description of deficit balance reserves is included herein since the District has specific statutory authority to levy taxes for such deficits.

Restricted and Assigned fund balances at year-end are as follows:

Restricted for Adult Basic Education – Represents available resources available for activities involving Adult Basic Education.

Restricted for Capital Projects Levy – Represents available resources dedicated for capital projects.

Restricted for Community Education Programs – Represents accumulated resources available to provide general community education programming.

Restricted for Early Childhood and Family Education Programs – Represents accumulated resources available to provide services for early childhood and family education programming.

Restricted for Long-Term Facility Maintenance – Represents resources available to be used for long-term facilities maintenance projects in accordance with the District's ten-year plan.

Restricted for Medical Assistance – Represents resources available to be used for Medical Assistance expenditures.

Restricted for Operating Capital – The District levies taxes and receives state aid to be used for the purchase of equipment, books, and vehicles and to purchase, rent, improve and repair school facilities as allowed by state statute. The cumulative excess of such revenues over equipment and facilities expenditures is reported as a restriction of fund balance in the General Fund.

Restricted for School Readiness – Represents accumulated resources available to provide school readiness programming.

Restricted for Other Purposes – Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Assigned for Site Carryover – Represents dollars assigned for unspent site supply allocations.

Assigned for Subsequent Year Budget Deficit – Represents dollars assigned to fund budgeted deficits in the subsequent year.

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**NOTE 5 FUND BALANCES AND NET POSITION (CONTINUED)**

On the Statement of Net Position the District presents net position representing the District's net investment in capital assets. This amount is calculated as follows:

	2019
Capital Assets, Net of Accumulated Depreciation	\$ 287,705,830
Bonds Payable at June 30, 2019	(134,115,000)
Add back: OPEB Bonds (non-capital)	-
COPs Payable at June 30, 2019	(11,140,000)
Capital Leases Payable at June 30, 2019	(7,046,515)
Premiums/Discounts	(17,199,212)
Capital Related Payables	(1,479,722)
Add back: Unspent bond proceeds	-
Net Investment in Capital Assets	<u>\$ 116,725,381</u>

**NOTE 6 DEFINED BENEFIT PENSION PLANS**

**A. Plan Description**

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA) and Teachers Retirement Fund (TRA). PERA's and TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's and TRA's defined benefit pension plans are tax-qualified plans under Section 401(a) of the Internal Revenue Code.

**1. General Employees Retirement Plan**

All full-time and certain part-time employees of the District, other than teachers, are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**2. Teachers Retirement Fund (TRA)**

The Teacher's Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. 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.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul schools or University of Minnesota System).

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**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. 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.    General Employees Plan Benefits**

General Employees Plan 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 Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first 10 years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years 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.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90% funded for two consecutive years, benefit recipients are given a 2.5% increase. If the plan has not exceeded 90% funded, or have fallen below 80%, benefit recipients are given a 1% increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

**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.

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

**B. Benefits Provided (Continued)**

*Tier 1 Benefits*

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

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 Statutes. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

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

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree - no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

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

C. Contributions

**1. General Employees Plan Contributions**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature. Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2019 and the District was required to contribute 7.50% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2019 were \$3,960,906. The District's contributions were equal to the required contributions as set by state statute.

**2. TRA Contributions**

Per Minnesota Statutes, Chapter 354 rates for the fiscal year for coordinated were 7.5% for the employee and 7.71% for the employer. Basic rates were 11.00% for the employee and 11.71% for the employer. The District's contributions to TRA for the plan's fiscal year ended June 30, 2019 were \$14,548,640. The District's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

**1. General Employees Fund Pension Costs**

At June 30, 2019, the District reported a liability of \$42,211,612 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million to the fund in 2018. The state of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$1,384,512, for a total net pension liability of \$43,596,124 associated with the District. The net pension liability was measured as of June 30, 2018, 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 proportionate share 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, 2017 through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers.

At June 30, 2018, the District's proportionate share was 0.7609% which was an increase of .0021% from its proportionate share measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$896,366 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$322,866 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

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

**D. Pension Costs (Continued)**

**1. General Employees Fund Pension Costs (Continued)**

At June 30, 2019, the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 1,117,273	\$ 1,231,130
Changes in Actuarial Assumptions	4,032,279	4,742,926
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	4,313,358
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	101,437	379,761
District Contributions Subsequent to the		
Measurement Date	3,960,906	-
Total	<u>\$ 9,211,895</u>	<u>\$ 10,667,175</u>

A total of \$3,960,906 reported as deferred outflows of resources related to pensions resulting from District contributions to General Employees Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to General Employees Plan pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2020	\$ 1,138,928
2021	(2,282,783)
2022	(3,391,302)
2023	(881,029)
2024	-
Thereafter	-

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

D. Pension Costs (Continued)

**2. TRA Pension Costs**

At June 30, 2019, the District reported a liability of \$200,421,836 for its proportionate share of TRA's net pension liability. The net pension liability was measured as of June 30, 2018, 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 3.191% at the end of the measurement period and 3.152% 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	\$ 200,421,836
State's Proportionate Share of the Net Pension Liability Associated with the District	18,830,184

For the year ended June 30, 2019, the District recognized negative pension expense of \$70,435,594. It also recognized \$13,142,252 as a decrease to pension expense and negative grant revenue for the support provided by direct aid.

At June 30, 2019, 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	\$ 2,137,737	\$ 4,041,811
Changes in Actuarial Assumptions	258,781,683	341,744,080
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	15,542,683
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	4,707,543	1,224,757
District Contributions Subsequent to the Measurement Date	14,548,640	-
Total	<u>\$ 280,175,603</u>	<u>\$ 362,553,331</u>

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

D. Pension Costs (Continued)

**2. TRA Pension Costs (Continued)**

A total of \$14,548,640 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to TRA will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense Amount</u>
2020	\$ 19,570,163
2021	12,776,288
2022	65,459
2023	(75,953,630)
2024	(53,384,648)
Thereafter	-

E. Actuarial Assumptions

The total pension liability in the **June 30, 2018** actuarial valuation was determined using the following actuarial assumptions:

<u>Assumptions</u>	<u>General Employees Plan</u>	<u>TRA</u>
Inflation	2.50% per Year	2.50%
Salary Growth	11.25% after 1 year of service decreasing to 3.25% per year after 26 years	2.85% for 10 years and 3.25%, thereafter
Investment Rate of Return	7.50%	7.50%

PERA Salary increases were based on a service-related table. PERA mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. PERA cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

Actuarial assumptions used in the PERA June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.



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

E. Actuarial Assumptions (Continued)

TRA pre-retirement mortality rates were based on the RP-2014 white-collar employee table, male rates set back 6 years and female rates set back 5 years. Generational projection uses the MP-2015 scale. Post-retirement mortality rates were based on the RP-2014 white-collar annuitant table, male rates set back 3 years, and female rates set back 3 years, with further adjustments of the rates. Generational projection uses the MP-2015 scale. Post-disability mortality rates were based on the RP-2014 disabled retiree mortality table, without adjustment. TRA cost of living benefit increases 1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

TRA assumptions are based on the full experience study dated June 2015 and the study of the economic assumptions presented to the Board in November 2017.

The following changes in actuarial assumptions for PERA occurred in 2018:

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

The following changes in actuarial assumptions for TRA occurred in 2018:

- The COLA was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% in January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next 4 years, (7.92% in 2019, 8.13% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.
- The single discount rate was changed from 5.12% to 7.5%.

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

**E. Actuarial Assumptions (Continued)**

The State Board of Investment, which manages the investments of PERA and TRA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric 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 Stocks	36.00 %	5.10%
International Stocks	17.00	5.30%
Bonds (Fixed Income)	20.00	0.75%
Alternative Assets (Private Markets)	25.00	5.90%
Cash	2.00	0.00%
Totals	100.00 %	

**F. Discount Rate**

The discount rate used to measure the PERA General Employees Plan liability in 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the TRA pension liability was 7.50%. This is an increase from the discount rate at the prior measurement date of 5.12%. The projection of cash flows used to determine the discount rate assumed that employee contribution will be made at the fiscal year 2018 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

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

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
General Employees Plan Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability at Different Discount Rates	\$ 68,599,274	\$ 42,211,612	\$ 20,429,351
TRA Discount Rate	6.50%	7.50%	8.50%
Net Pension Liability at Different Discount Rates	\$ 318,068,641	\$ 200,421,836	\$ 103,363,996

H. Pension Plan Fiduciary Net Position

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

Detailed information about TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at [www.MinnesotaTRA.org](http://www.MinnesotaTRA.org), by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, Minnesota, 55103-4000; or by calling (651) 296-2409 or 1-800-657-3669.

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**NOTE 7 OTHER POSTEMPLOYMENT BENEFITS PLAN**

**A. Plan Description**

The District operates and administers a single-employer defined benefit other postemployment benefit plan (the Plan) that provides health insurance to eligible employees and their spouses through the District's self-insured health insurance plan. There are 3,453 active participants and 182 retired participants. Benefit and eligibility provisions are established through contractual agreements with employee groups. These contractual agreements do not include any specific contribution or funding requirements. The Plan does not issue a publicly available financial report.

Teachers' Postemployment Health Care Savings Benefits – Eligible teachers receive at retirement an amount equal to 25 days of pay multiplied by their daily rate of pay at retirement, plus an additional \$12,000. Teachers may also elect to receive district matching contributions paid into a tax-deferred matching contribution plan established under IRC Section 403(b). The amount of any postemployment healthcare savings plan benefits due to an individual is reduced by the total matching contributions made by the District to such a plan over the course of that individual's employment, to the extent that such 403(b) contributions exceed any severance (as described earlier in these notes) earned by the individual.

Postemployment Insurance Benefits – all retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays for all or part of the eligible retiree's premiums for medical, dental, and/or life insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Benefits paid by the District differ by bargaining unit, with some contracts specifying a certain dollar amount per month (ranging from \$182 to \$1,290), and some covering the full monthly premium costs. Retirees not eligible for these district-paid premium benefits must pay the full district premium rate for their coverage.

The District is legally required to include any retirees from whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the District or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the District's younger and statistically healthier active employees.

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

**B. Funding Policy**

The District has assets designated for OPEB. These assets are in a qualified irrevocable trust which is included as a fiduciary fund in these financial statements. The District's investment policy is to follow state statutes as listed in Note 2. The District is assumed to make no future contributions to the trust. Benefit payments equal to the annual direct subsidy plus implicit subsidy are assumed to be made from the trust.

Contribution requirements are also established through contractual agreements with employee groups. The eligibility for, amount of, duration of, and District's contribution to the cost of the benefits provided varies by contract and date of retirement.

**C. Net OPEB Liability (Asset) of the District**

The components of the net OPEB liability (asset) of the District at June 30, 2019 were as follows:

Total OPEB Liability	\$ 52,674,097
Plan Fiduciary Net Position	54,485,170
District's net OPEB Liability (Asset)	<u>\$ (1,811,073)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	103.44%

**D. Actuarial Methods and Assumptions**

The long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return, and a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions above are not met.

The District's net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. Liabilities in this report were calculated as of the valuation date and rolled forward to the measurement date using standard actuarial roll-forward techniques.

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

**D. Actuarial Methods and Assumptions (Continued)**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	5.60%
20-Year Municipal Bond Yield	3.50%
Medical Trend Rate	6.50% decreasing to 5.00% over 6 years
Dental Trend Rate	4.00%

Mortality rates were based on the RP-2014 white-collar mortality tables with MP-2017 Generational Improvement Scale.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage (or target allocation, if available) and by adding expected inflation (2.50%).

Best estimates of geometric real and nominal rates of return for each major asset class included in the OPEB plan's asset allocation as of the measurement date are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
Fixed Income	40.00 %	2.00 %
Domestic Equity	20.00	8.00
International Equity	20.00	8.00
Real Estate and Alternatives	10.00	8.00
Cash and Equivalents	10.00	8.00
Total	100.00 %	5.60
Reduced for Assumed Investment Expense		-
Net Assumed Investment Return (Weighted Avg, Rounded to 1/4%)		5.60 %

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

**D. Actuarial Methods and Assumptions (Continued)**

The discount rate used to measure the total OPEB liability was 5.20%. The projection of cash flows and OPEB trust assets used to determine the discount rate were based on recent employer contribution history and their stated funding policy. The OPEB trust's long-term assumed investment return was used to discount projected benefit payments for as long as projected trust assets are available to fund OPEB payments. Once projected trust assets are exhausted, the municipal bond index rate of 3.10% was applied to the remaining expected benefit payments.

The expected employer asset return is based on the long-term expected return on short-term/cash-equivalent assets using our capital market assumption model.

Since the most recent GASB 75 valuation, the following changes have been made:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.

**E. Changes in the Net OPEB Liability (Asset)**

	Increase (Decrease)		
	Liability (a)	Net Position (b)	Liability (a) - (b)
Balances at June 30, 2017	\$ 50,135,198	\$ 53,956,904	\$ (3,821,706)
Changes for the Year:			
Service Cost	3,075,313	-	3,075,313
Interest Cost	2,847,687	-	2,847,687
Changes of Assumptions	1,583,799	-	1,583,799
Plan Changes	(179,505)	-	(179,505)
Differences Between Expected and Actual Experience	(5,324)	-	(5,324)
Contributions-Employer	-	2,283,071	(2,283,071)
Net Investment Income	-	3,028,266	(3,028,266)
Benefit Payments	(4,783,071)	(4,783,071)	-
Net Changes	<u>2,538,899</u>	<u>528,266</u>	<u>2,010,633</u>
Balances at June 30, 2018	<u>\$ 52,674,097</u>	<u>\$ 54,485,170</u>	<u>\$ (1,811,073)</u>

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (4.2%)	Discount Rate (5.2%)	1% Increase (6.2%)
Net OPEB Liability (Asset)	\$ 1,288,177	\$ (1,811,073)	\$ (4,770,574)

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

**E. Changes in the Net OPEB Liability (Asset) (Continued)**

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% point lower (Medical 5.5% decreasing to 4.0% over 6 years, and Dental 3.0%) or 1% point higher (Medical 7.5% decreasing to 6.0% over 6 years, and Dental 5.0%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease (Medical 5.5% Decreasing to 4.0% over 6 Years, Dental 3.00%)	Current Trend Rates (Medical 6.5% Decreasing to 5% over 6 Years, Dental 4.0%)	1% Increase (Medical 7.50% Decreasing to 6.00% over 6 Years, Dental 5.00%)
Net OPEB Liability (Asset)	\$ (5,264,060)	\$ (1,811,073)	\$ 2,159,281

For the year ended June 30, 2019, the District recognized OPEB expense of \$2,895,958. At June 30, 2019, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Liability	\$ -	\$ 4,733
Change of Assumptions	1,407,821	-
Net Difference Between Projected and Actual Investment Earnings	-	5,343
Contributions Between Measurement Date and Reporting Date	N/A	N/A
Total	\$ 1,407,821	\$ 10,076

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Future Recognition</u>
2020	\$ 174,050
2021	174,050
2022	174,050
2023	174,050
2024	175,386
Thereafter	526,159
Total	<u>\$ 1,397,745</u>



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**NOTE 8 FLEXIBLE BENEFIT PLAN**

The District offers its employees a flexible benefit plan which is classified as a “cafeteria plan” (the Plan) under § 125 of the IRC (which includes pretax insurance premiums, unreimbursed medical expenses, and dependent care expenses). All employee groups of the District are eligible if and when the collective bargaining agreement or contract with their group allows eligibility. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the Plan year, which is from July 1 to June 30, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants’ annual contributions to the medical reimbursement portion of the Plan, whether or not such contributions have been made.

The Plan is being administered by an independent contract administrator. The unreimbursed medical expense and dependent care expense portions of the Plan were recorded in the Employee Benefit Trust Fund. However, the health insurance premium reimbursements were accounted for in the District’s operating funds.

All property of the Plan and income attributable to that property is solely the property of the District, subject to the claims of the District’s general creditors. Participants’ rights under the Plan are equal to those of general creditors of the District in an amount equal to the eligible healthcare and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**A. Legal Claims**

The District has the usual and customary types of miscellaneous legal claims pending at year-end, mostly of a minor nature and usually covered by insurance carried for that purpose.

**B. Federal and State Receivables**

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 applicable funds. 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.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 10 PRIOR PERIOD RESTATEMENT**

During fiscal year ended June 30, 2019, the District restated its beginning fund balance in the Food Service Fund to reflect an overstatement of unearned revenue in the prior year. Beginning net position was also restated to reflect this overstatement. The effects of the prior period restatement are below.

	Governmental Activities	Food Service Fund
Net Position, June 30, 2018, as Previously Reported	\$(232,311,479)	\$ -
Fund Balance, June 30, 2018, as Previously Reported	-	2,980,037
Cumulative Affect of Prior Period Restatement for Overstatement of Unearned Revenue	<u>230,692</u>	<u>230,692</u>
Net Position, June 30, 2018, as Restated	<u><u>\$(232,080,787)</u></u>	
Fund Balance, June 30, 2019, as Restated		<u><u>\$ 3,210,729</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY (ASSET)  
AND RELATED RATIOS  
JUNE 30, 2019**

	2019	2018
<b>Total OPEB Liability</b>		
Service Cost	\$ 3,075,313	\$ 2,665,745
Interest	2,847,687	2,777,088
Changes of Benefit Terms	(179,505)	-
Differences Between Expected and Actual Experience	(5,324)	-
Changes of Assumptions	1,583,799	-
Benefit Payments	(4,783,071)	(4,405,513)
<b>Net Change in Total OPEB Liability</b>	2,538,899	1,037,320
Total OPEB Liability - Beginning	50,135,198	49,097,878
<b>Total OPEB (Asset) Liability - Ending (a)</b>	<u>\$ 52,674,097</u>	<u>\$ 50,135,198</u>
 <b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 2,283,071	\$ 58,362,417
Net Investment Income	3,028,266	-
Benefit Payments	(4,783,071)	(4,405,513)
<b>Net Change in Plan Fiduciary Net Position</b>	528,266	53,956,904
Plan Fiduciary Net Position - Beginning	53,956,904	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 54,485,170</u>	<u>\$ 53,956,904</u>
 <b>District's Net OPEB Liability - Ending (a) - (b)</b>	 \$ (1,811,073)	 \$ (3,821,706)
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 103.44%	 107.62%
 Covered-Employee Payroll	 \$ 214,673,522	 \$ 207,060,884
 District's Net OPEB Liability as a Percentage of Covered-Employee Payroll	 (0.84)%	 (1.85)%

\* The District implemented GASB Statement Nos. 74 and 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN  
ON PLAN ASSETS – OPEB  
JUNE 30, 2019**

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2018	8.50%
2019	5.60%

\* The District implemented GASB Statement Nos. 74 and 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
LAST FOUR MEASUREMENT DATES**

	Measurement Date June 30,				
	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	3.1910%	3.1521%	3.1503%	3.1326%	3.3358%
District's Proportionate Share of the Net Pension Liability	\$ 200,421,836	\$ 629,216,339	\$ 751,421,716	\$ 193,782,291	\$ 153,711,262
State's Proportionate Share of the Net Pension Liability					
Associated with District	18,830,184	60,824,265	75,422,961	23,768,953	10,813,476
Total	<u>\$ 219,252,020</u>	<u>\$ 690,040,604</u>	<u>\$ 826,844,677</u>	<u>\$ 217,551,244</u>	<u>\$ 164,524,738</u>
District's Covered Payroll	\$ 178,260,773	\$ 169,205,267	\$ 164,204,850	\$ 159,010,347	\$ 152,270,353
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	112.43%	371.87%	457.61%	121.87%	100.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.07%	51.57%	44.88%	76.80%	81.50%

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS  
LAST FOUR FISCAL YEARS\***

	Year Ended June 30,				
	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 14,548,640	\$ 13,369,558	\$ 12,690,395	\$ 12,315,364	\$ 11,925,776
Contributions in Relation to the Statutorily Required Contribution	(14,548,640)	(13,369,558)	(12,690,395)	(12,315,364)	(11,925,776)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 188,698,314	\$ 178,260,773	\$ 169,205,267	\$ 164,204,850	\$ 159,010,347
Contributions as a Percentage of Covered Payroll	7.71%	7.50%	7.50%	7.50%	7.50%

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GERF SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
LAST FOUR MEASUREMENT DATES\***

	Measurement Date June 30,				
	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.7609%	0.7588%	0.7610%	0.7836%	85.5800%
District's Proportionate Share of the Net Pension Liability	\$ 42,211,612	\$ 48,441,291	\$ 61,789,425	\$ 40,610,219	\$ 40,201,196
State's Proportionate Share of the Net Pension Liability Associated with the District	1,384,512	609,138	806,952	-	-
Total	<u>\$ 43,596,124</u>	<u>\$ 49,050,429</u>	<u>\$ 62,596,377</u>	<u>\$ 40,610,219</u>	<u>\$ 40,201,196</u>
District's Covered Payroll	\$ 51,294,453	\$ 48,849,901	\$ 47,231,887	\$ 46,021,245	\$ 44,913,931
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	82.29%	99.16%	130.82%	88.24%	89.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.07%	75.90%	68.90%	78.20%	78.70%

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



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GERF SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
LAST FOUR FISCAL YEARS\***

	Year Ended June 30,				
	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 3,960,906	\$ 3,847,084	\$ 3,663,743	\$ 3,542,392	\$ 3,394,067
Contributions in Relation to the Statutorily Required Contribution	(3,960,906)	(3,847,084)	(3,663,743)	(3,542,392)	(3,394,067)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 52,812,080	\$ 51,294,453	\$ 48,849,901	\$ 47,231,887	\$ 46,021,245
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.38%

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

## **SUPPLEMENTARY INFORMATION**

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	2019	2018
<b>ASSETS</b>		
Cash and Investments	\$ 90,294,594	\$ 85,585,666
Receivables:		
Current Taxes	41,030,517	38,423,018
Delinquent Taxes	378,514	280,145
Accounts and Interest Receivable	2,511,434	1,516,974
Due from Minnesota Department of Education	27,393,186	26,734,770
Due from Federal Through the Minnesota Department of Education	2,691,042	3,277,285
Due from Federal Government Received Directly	357,568	637,689
Due from Other Governmental Units	199,163	219,206
Due from Other Funds	-	2,824
Inventory	619,872	618,980
Prepays	801,507	431,964
	<u>\$ 166,277,397</u>	<u>\$ 157,728,521</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 17,524,852	\$ 20,864,607
Payroll Deductions and Employer Contributions Payable	19,157,583	18,099,081
Accounts and Contracts Payable	4,986,004	4,520,139
Due to Other Minnesota School Districts	847,349	87,878
Due to Other Governmental Units	138,281	215,473
Due to Other Funds	-	2,653
Unearned Revenue	81,500	101,799
Total Liabilities	<u>42,735,569</u>	<u>43,891,630</u>
Deferred Inflows:		
Unavailable Revenue - Property Taxes Levied for Subsequent Year	72,236,301	69,088,039
Unavailable Revenue - Delinquent Taxes	378,514	280,145
Total Deferred Inflows of Resources	<u>72,614,815</u>	<u>69,368,184</u>
Fund Balance:		
Nonspendable:		
Inventory	619,872	618,980
Prepays	801,507	431,964
Restricted for:		
Capital Projects Levy	1,150,621	832,405
Long-Term Facility Maintenance	4,071,499	2,802,382
Medical Assistance	671,447	303,240
Operating Capital	4,947,277	5,380,671
Assigned for:		
Site Carry-Over	-	1,531,851
Subsequent Year Budget Deficit	1,311,999	6,867,403
Unassigned for:		
Unassigned	37,352,791	25,699,811
Total Fund Balance	<u>50,927,013</u>	<u>44,468,707</u>
	<u>\$ 166,277,397</u>	<u>\$ 157,728,521</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance		

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019		2018	
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 72,449,072	\$ 72,874,150	\$ 425,078	\$ 71,208,373
Earnings and Investments	1,200,000	1,564,028	364,028	1,058,942
Other	10,598,824	10,254,691	(344,133)	10,685,204
State Sources	284,141,169	281,583,679	(2,557,490)	271,769,390
Federal Sources	11,768,444	10,805,733	(962,711)	10,801,070
Total Revenues	380,157,509	377,082,281	(3,075,228)	365,522,979
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	11,201,589	11,488,899	287,310	10,851,533
Employee Benefits	4,418,076	4,240,499	(177,577)	4,147,375
Purchased Services	498,862	252,707	(246,155)	296,066
Supplies and Materials	243,579	142,842	(100,737)	140,693
Capital Expenditures	33,368	17,299	(16,069)	36,344
Other Expenditures	125,317	217,126	91,809	163,336
Total Administration	16,520,791	16,359,372	(161,419)	15,635,347
District Support Services:				
Salaries	6,009,609	5,382,958	(626,651)	4,886,060
Employee Benefits	3,745,403	2,772,698	(972,705)	2,459,350
Purchased Services	3,056,047	3,134,971	78,924	2,761,264
Supplies and Materials	902,550	813,855	(88,695)	674,037
Capital Expenditures	919,835	309,016	(610,819)	222,425
Other Expenditures	11,178	(95,765)	(106,943)	(85,843)
Total District Support Services	14,644,622	12,317,733	(2,326,889)	10,917,293
Elementary and Secondary Regular Instruction:				
Salaries	125,524,763	123,481,716	(2,043,047)	120,234,273
Employee Benefits	38,882,599	39,877,894	995,295	38,805,363
Purchased Services	5,777,001	7,179,677	1,402,676	6,824,307
Supplies and Materials	7,013,948	5,773,398	(1,240,550)	7,023,721
Capital Expenditures	2,912,696	1,004,356	(1,908,340)	949,160
Other Expenditures	110,733	1,045,059	934,326	785,136
Total Elementary and Secondary Regular Instruction	180,221,740	178,362,100	(1,859,640)	174,621,960

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

		2019		2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 3,668,629	\$ 3,792,366	\$ 123,737	\$ 3,556,631
Employee Benefits	1,132,914	1,188,840	55,926	1,094,787
Purchased Services	351,658	228,989	(122,669)	265,919
Supplies and Materials	110,228	156,030	45,802	192,269
Capital Expenditures	60,220	23,262	(36,958)	25,406
Other Expenditures	3,050	29,792	26,742	27,710
Total Vocational Education Instruction	5,326,699	5,419,279	92,580	5,162,722
Special Education Instruction:				
Salaries	50,702,718	51,095,572	392,854	49,440,923
Employee Benefits	19,843,321	19,248,270	(595,051)	19,211,718
Purchased Services	1,344,947	1,419,633	74,686	1,282,139
Supplies and Materials	934,459	880,893	(53,566)	952,918
Capital Expenditures	173,481	461,240	287,759	1,525,110
Other Expenditures	112,000	5,799	(106,201)	245,493
Total Special Education Instruction	73,110,926	73,111,407	481	72,658,301
Community Service:				
Salaries	46,385	104,875	58,490	147,904
Employee Benefits	12,109	46,838	34,729	48,085
Purchased Services	51,700	48,000	(3,700)	64,903
Supplies and Materials	5,651	4,318	(1,333)	5,489
Total Community Service	115,845	204,031	88,186	266,381
Instructional Support Services:				
Salaries	11,534,193	13,901,947	2,367,754	13,286,820
Employee Benefits	4,024,947	4,221,409	196,462	4,043,564
Purchased Services	943,776	603,911	(339,865)	595,039
Supplies and Materials	4,013,522	3,588,290	(425,232)	3,498,658
Capital Expenditures	28,032	41,726	13,694	111,601
Other Expenditures	140,718	174,083	33,365	192,776
Total Instructional Support Services	20,685,188	22,531,366	1,846,178	21,728,458

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Salaries	\$ 13,578,152	\$ 14,417,826	\$ 839,674	\$ 13,648,340
Employee Benefits	6,908,608	6,535,318	(373,290)	6,782,129
Purchased Services	3,109,357	2,708,210	(401,147)	2,793,390
Supplies and Materials	2,474,226	2,467,525	(6,701)	2,190,271
Capital Expenditures	1,631,000	1,289,391	(341,609)	908,231
Other Expenditures	5,700	52,859	47,159	135,871
Total Pupil Support Services	27,707,043	27,471,129	(235,914)	26,458,232
Sites and Buildings:				
Salaries	9,413,491	9,380,343	(33,148)	8,993,811
Employee Benefits	4,562,512	4,092,484	(470,028)	3,982,660
Purchased Services	6,834,713	10,086,922	3,252,209	9,269,996
Supplies and Materials	1,337,371	1,833,785	496,414	1,378,814
Capital Expenditures	9,270,173	5,339,261	(3,930,912)	4,534,707
Other Expenditures	-	4,517	4,517	56,610
Total Sites and Buildings	31,418,260	30,737,312	(680,948)	28,216,598
Fiscal and Other Fixed Costs:				
Purchased Services	791,771	632,189	(159,582)	582,782
Other Expenditures	1,500,000	549,880	(950,120)	-
Total Fiscal and Other Fixed Costs	2,291,771	1,182,069	(1,109,702)	582,782
Debt Service:				
Principal	1,424,720	2,224,828	800,108	2,194,855
Interest and Fiscal Charges	276,737	643,895	367,158	625,156
Total Debt Service	1,701,457	2,868,723	1,167,266	2,820,011
Total Expenditures	373,744,342	370,564,521	(3,179,821)	359,068,085
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	6,413,167	6,517,760	104,593	6,454,894

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	19,383	19,383	23,971
Capital Leases	-	-	-	1,043,209
Insurance Recovery	200,000	56,303	(143,697)	311,212
Judgments for the School District	-	369	369	-
Transfers Out	(50,000)	(135,509)	(85,509)	-
Total Other Financing Sources (Uses)	150,000	(59,454)	(209,454)	1,378,392
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 6,563,167</u>	6,458,306	<u>\$ (104,861)</u>	7,833,286
<b>FUND BALANCE</b>				
Beginning of Year		44,468,707		36,635,421
End of Year		<u>\$ 50,927,013</u>		<u>\$ 44,468,707</u>

**INDEPENDENT SCHOOL DISTRICT NO. 19**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BY ACCOUNT**  
**JUNE 30, 2019**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 69,184,332	\$ -	\$ 3,689,818	\$ 72,874,150
Earnings and Investments	1,564,028	-	-	1,564,028
Other	10,048,270	174,505	31,916	10,254,691
State Sources	257,101,004	19,213,721	5,268,954	281,583,679
Federal Sources	10,805,733	-	-	10,805,733
Total Revenues	348,703,367	19,388,226	8,990,688	377,082,281
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	11,488,899	-	-	11,488,899
Employee Benefits	4,240,499	-	-	4,240,499
Purchased Services	247,925	-	4,782	252,707
Supplies and Materials	103,010	-	39,832	142,842
Capital Expenditures	32	-	17,267	17,299
Other Expenditures	217,126	-	-	217,126
Total Administration	16,297,491	-	61,881	16,359,372
District Support Services:				
Salaries	4,511,975	-	870,983	5,382,958
Employee Benefits	2,367,522	-	405,176	2,772,698
Purchased Services	1,898,307	-	1,236,664	3,134,971
Supplies and Materials	614,974	-	198,881	813,855
Capital Expenditures	7,160	-	301,856	309,016
Other Expenditures	(95,765)	-	-	(95,765)
Total District Support Services	9,304,173	-	3,013,560	12,317,733
Elementary and Secondary Regular Instruction:				
Salaries	123,481,716	-	-	123,481,716
Employee Benefits	39,877,894	-	-	39,877,894
Purchased Services	7,042,930	-	136,747	7,179,677
Supplies and Materials	5,083,187	-	690,211	5,773,398
Capital Expenditures	625,737	-	378,619	1,004,356
Other Expenditures	1,045,059	-	-	1,045,059
Total Elementary and Secondary Regular Instruction	177,156,523	-	1,205,577	178,362,100



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BY ACCOUNT (CONTINUED)**  
**JUNE 30, 2019**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 3,792,366	\$ -	\$ -	\$ 3,792,366
Employee Benefits	1,188,840	-	-	1,188,840
Purchased Services	228,989	-	-	228,989
Supplies and Materials	120,590	-	35,440	156,030
Capital Expenditures	10,302	-	12,960	23,262
Other Expenditures	29,792	-	-	29,792
Total Vocational Education Instruction	5,370,879	-	48,400	5,419,279
Special Education Instruction:				
Salaries	51,095,572	-	-	51,095,572
Employee Benefits	19,248,270	-	-	19,248,270
Purchased Services	1,419,633	-	-	1,419,633
Supplies and Materials	880,893	-	-	880,893
Capital Expenditures	461,240	-	-	461,240
Other Expenditures	5,799	-	-	5,799
Total Special Education Instruction	73,111,407	-	-	73,111,407
Community Service:				
Salaries	104,875	-	-	104,875
Employee Benefits	46,838	-	-	46,838
Purchased Services	48,000	-	-	48,000
Supplies and Materials	4,318	-	-	4,318
Total Community Service	204,031	-	-	204,031
Instructional Support Services:				
Salaries	13,408,831	-	493,116	13,901,947
Employee Benefits	4,041,168	-	180,241	4,221,409
Purchased Services	603,911	-	-	603,911
Supplies and Materials	2,914,509	-	673,781	3,588,290
Capital Expenditures	40,047	-	1,679	41,726
Other Expenditures	174,083	-	-	174,083
Total Instructional Support Services	21,182,549	-	1,348,817	22,531,366

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BY ACCOUNT (CONTINUED)**  
**JUNE 30, 2019**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Salaries	\$ 5,707,013	\$ 8,710,813	\$ -	\$ 14,417,826
Employee Benefits	2,054,875	4,480,443	-	6,535,318
Purchased Services	374,272	2,333,938	-	2,708,210
Supplies and Materials	73,344	2,394,181	-	2,467,525
Capital Expenditures	-	1,289,391	-	1,289,391
Other Expenditures	45,852	7,007	-	52,859
Total Pupil Support Services	8,255,356	19,215,773	-	27,471,129
Sites and Buildings:				
Salaries	9,380,343	-	-	9,380,343
Employee Benefits	4,092,484	-	-	4,092,484
Purchased Services	9,754,052	-	332,870	10,086,922
Supplies and Materials	1,833,785	-	-	1,833,785
Capital Expenditures	4,673,986	-	665,275	5,339,261
Other Expenditures	280	-	4,237	4,517
Total Sites and Buildings	29,734,930	-	1,002,382	30,737,312
Fiscal and Other Fixed Costs:				
Purchased Services	632,189	-	-	632,189
Other Expenditures	549,880	-	-	549,880
Total Fiscal and Other Fixed Costs	1,182,069	-	-	1,182,069
Debt Service:				
Principal	215,189	-	2,009,639	2,224,828
Interest and Fiscal Charges	21,163	-	622,732	643,895
Total Debt Service	236,352	-	2,632,371	2,868,723
Total Expenditures	342,035,760	19,215,773	9,312,988	370,564,521
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	6,667,607	172,453	(322,300)	6,517,760

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BY ACCOUNT (CONTINUED)  
JUNE 30, 2019**

	Operating	Pupil Transportation	Capital Expenditures	Total
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	19,383	-	-	19,383
Insurance Recovery	-	41,683	14,620	56,303
Judgments for the School District	369	-	-	369
Transfers Out	(135,509)	-	-	(135,509)
Total Other Financing Sources (Uses)	(115,757)	41,683	14,620	(59,454)
<b>NET CHANGE IN FUND BALANCE</b>	6,551,850	214,136	(307,680)	6,458,306
<b>FUND BALANCE</b>				
Beginning of Year	33,842,716	4,722,547	5,903,444	44,468,707
End of Year	<u>\$ 40,394,566</u>	<u>\$ 4,936,683</u>	<u>\$ 5,595,764</u>	<u>\$ 50,927,013</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL FUND – OPERATING ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 68,948,974	\$ 69,184,332	\$ 235,358	\$ 65,576,231
Earnings and Investments	1,200,000	1,564,028	364,028	1,058,942
Other	9,243,872	10,048,270	804,398	10,530,593
State Sources	220,333,143	257,101,004	36,767,861	248,558,618
Federal Sources	5,341,761	10,805,733	5,463,972	10,801,070
Total Revenues	305,067,750	348,703,367	43,635,617	336,525,454
<b>EXPENDITURES</b>				
Current:				
Administration:				
Salaries	11,201,589	11,488,899	287,310	10,851,533
Employee Benefits	4,418,076	4,240,499	(177,577)	4,147,375
Purchased Services	472,757	247,925	(224,832)	283,337
Supplies and Materials	177,164	103,010	(74,154)	111,280
Capital Expenditures	4,700	32	(4,668)	3,320
Other Expenditures	125,317	217,126	91,809	163,336
Total Administration	16,399,603	16,297,491	(102,112)	15,560,181
District Support Services:				
Salaries	5,089,972	4,511,975	(577,997)	4,220,863
Employee Benefits	3,303,915	2,367,522	(936,393)	2,125,888
Purchased Services	2,408,307	1,898,307	(510,000)	2,103,739
Supplies and Materials	749,135	614,974	(134,161)	610,767
Capital Expenditures	658,000	7,160	(650,840)	1,569
Other Expenditures	11,178	(95,765)	(106,943)	(85,843)
Total District Support Services	12,220,507	9,304,173	(2,916,334)	8,976,983
Elementary and Secondary Regular Instruction:				
Salaries	125,524,763	123,481,716	(2,043,047)	120,234,273
Employee Benefits	38,882,599	39,877,894	995,295	38,805,363
Purchased Services	5,665,147	7,042,930	1,377,783	6,686,811
Supplies and Materials	5,492,087	5,083,187	(408,900)	5,258,301
Capital Expenditures	803,717	625,737	(177,980)	478,101
Other Expenditures	110,733	1,045,059	934,326	785,136
Total Elementary and Secondary Regular Instruction	176,479,046	177,156,523	677,477	172,247,985

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND - OPERATING ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 3,668,629	\$ 3,792,366	\$ 123,737	\$ 3,556,631
Employee Benefits	1,132,914	1,188,840	55,926	1,094,787
Purchased Services	351,658	228,989	(122,669)	265,919
Supplies and Materials	110,228	120,590	10,362	165,559
Capital Expenditures	11,820	10,302	(1,518)	5,425
Other Expenditures	3,050	29,792	26,742	27,710
Total Vocational Education Instruction	5,278,299	5,370,879	92,580	5,116,031
Special Education Instruction:				
Salaries	50,702,718	51,095,572	392,854	49,440,923
Employee Benefits	19,843,321	19,248,270	(595,051)	19,211,718
Purchased Services	1,344,947	1,419,633	74,686	1,282,139
Supplies and Materials	934,459	880,893	(53,566)	952,918
Capital Expenditures	173,481	461,240	287,759	622,058
Other Expenditures	112,000	5,799	(106,201)	245,493
Total Special Education Instruction	73,110,926	73,111,407	481	71,755,249
Community Service:				
Salaries	46,385	104,875	58,490	147,904
Employee Benefits	12,109	46,838	34,729	48,085
Purchased Services	51,700	48,000	(3,700)	64,903
Supplies and Materials	5,651	4,318	(1,333)	5,489
Total Community Service	115,845	204,031	88,186	266,381
Instructional Support Services:				
Salaries	11,009,748	13,408,831	2,399,083	13,073,951
Employee Benefits	3,870,596	4,041,168	170,572	3,966,627
Purchased Services	943,776	603,911	(339,865)	595,039
Supplies and Materials	3,414,307	2,914,509	(499,798)	3,051,147
Capital Expenditures	19,200	40,047	20,847	98,229
Other Expenditures	140,718	174,083	33,365	192,776
Total Instructional Support Services	19,398,345	21,182,549	1,784,204	20,977,769

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND - OPERATING ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Salaries	\$ 5,492,757	\$ 5,707,013	\$ 214,256	\$ 5,353,718
Employee Benefits	2,033,385	2,054,875	21,490	1,967,624
Purchased Services	401,438	374,272	(27,166)	406,608
Supplies and Materials	75,326	73,344	(1,982)	51,223
Capital Expenditures	3,000	-	(3,000)	442
Other Expenditures	1,200	45,852	44,652	69,590
Total Pupil Support Services	8,007,106	8,255,356	248,250	7,849,205
Sites and Buildings:				
Salaries	9,413,491	9,380,343	(33,148)	8,993,811
Employee Benefits	4,562,512	4,092,484	(470,028)	3,982,660
Purchased Services	6,571,973	9,754,052	3,182,079	8,955,726
Supplies and Materials	1,337,371	1,833,785	496,414	1,378,814
Capital Expenditures	8,515,000	4,673,986	(3,841,014)	4,186,913
Other Expenditures	-	280	280	45,120
Total Sites and Buildings	30,400,347	29,734,930	(665,417)	27,543,044
Fiscal and Other Fixed Costs:				
Purchased Services	791,771	632,189	(159,582)	582,782
Other Expenditures	1,500,000	549,880	(950,120)	-
Total Fiscal and Other Fixed Costs	2,291,771	1,182,069	(1,109,702)	582,782
Debt Service:				
Principal	239,680	215,189	(24,491)	239,032
Interest and Fiscal Charges	10,130	21,163	11,033	7,311
Total Debt Service	249,810	236,352	(13,458)	246,343
Total Expenditures	343,835,760	342,035,760	(2,004,031)	331,121,953
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	(38,768,010)	6,667,607	45,639,648	5,403,501

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND - OPERATING ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	19,383	19,383	23,971
Insurance Recovery	200,000	-	(200,000)	236,681
Judgments for the School District	-	369	369	-
Transfers Out	(50,000)	(135,509)	(85,509)	-
Total Other Financing Sources (Uses)	150,000	(115,757)	(265,757)	260,652
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (38,618,010)</u>	6,551,850	<u>\$ 45,373,891</u>	5,664,153
<b>FUND BALANCE</b>				
Beginning of Year		33,842,716		28,178,563
End of Year		<u>\$ 40,394,566</u>		<u>\$ 33,842,716</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND – PUPIL TRANSPORTATION ACCOUNT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Other	\$ 230,000	\$ 174,505	\$ (55,495)	\$ 154,611
State Sources	19,245,800	19,213,721	(32,079)	18,247,085
Total Revenues	19,475,800	19,388,226	(87,574)	18,401,696
<b>EXPENDITURES</b>				
Current:				
Pupil Support Services:				
Salaries	8,085,395	8,710,813	625,418	8,294,622
Employee Benefits	4,875,223	4,480,443	(394,780)	4,814,505
Purchased Services	2,707,919	2,333,938	(373,981)	2,386,782
Supplies and Materials	2,396,400	2,394,181	(2,219)	2,137,839
Capital Expenditures	1,628,000	1,289,391	(338,609)	903,462
Other Expenditures	4,500	7,007	2,507	66,281
Total Pupil Support Services	19,697,437	19,215,773	(481,664)	18,603,491
<b>OTHER FINANCING SOURCES</b>				
Insurance Recovery	-	41,683	41,683	74,531
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (221,637)</u>	214,136	<u>\$ 394,090</u>	(127,264)
<b>FUND BALANCE</b>				
Beginning of Year		4,722,547		4,849,811
End of Year		<u>\$ 4,936,683</u>		<u>\$ 4,722,547</u>



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND – CAPITAL EXPENDITURE ACCOUNT**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 3,500,098	\$ 3,689,818	\$ 189,720	\$ 5,632,142
Other	-	31,916	31,916	-
State Sources	5,316,100	5,268,954	(47,146)	4,963,687
Total Revenues	8,816,198	8,990,688	174,490	10,595,829
<b>EXPENDITURES</b>				
Current:				
Administration:				
Purchased Services	26,105	4,782	(21,323)	12,729
Supplies and Materials	66,415	39,832	(26,583)	29,413
Capital Expenditures	28,668	17,267	(11,401)	33,024
Total Administration	121,188	61,881	(59,307)	75,166
District Support Services:				
Salaries	919,637	870,983	(48,654)	665,197
Employee Benefits	441,488	405,176	(36,312)	333,462
Purchased Services	647,740	1,236,664	588,924	657,525
Supplies and Materials	153,415	198,881	45,466	63,270
Capital Expenditures	261,835	301,856	40,021	220,856
Total District Support Services	2,424,115	3,013,560	589,445	1,940,310
Elementary and Secondary Regular Instruction:				
Purchased Services	111,854	136,747	24,893	137,496
Supplies and Materials	1,521,861	690,211	(831,650)	1,765,420
Capital Expenditures	2,108,979	378,619	(1,730,360)	330,902
Total Elementary and Secondary Regular Instruction	3,742,694	1,205,577	(2,537,117)	2,233,818
Vocational Education Instruction:				
Supplies and Materials	-	35,440	35,440	26,710
Capital Expenditures	48,400	12,960	(35,440)	19,981
Total Vocational Education Instruction	48,400	48,400	-	46,691
Instructional Support Services:				
Salaries	524,445	493,116	(31,329)	212,869
Employee Benefits	154,351	180,241	25,890	76,937
Supplies and Materials	599,215	673,781	74,566	447,511
Capital Expenditures	8,832	1,679	(7,153)	13,372
Total Instructional Support Services	1,286,843	1,348,817	61,974	750,689

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND – CAPITAL EXPENDITURE ACCOUNT**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (CONTINUED)**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>EXPENDITURES (Continued)</b>				
Current (Continued):				
Pupil Support Services:				
Supplies and Materials	\$ 2,500	\$ -	\$ (2,500)	\$ 1,209
Capital Expenditures	-	-	-	4,327
Total Pupil Support Services	2,500	-	(2,500)	5,536
Sites and Buildings:				
Purchased Services	262,740	332,870	70,130	314,270
Capital Expenditures	755,173	665,275	(89,898)	347,794
Other Expenditures	-	4,237	4,237	11,490
Total Sites and Buildings	1,017,913	1,002,382	(15,531)	673,554
Debt Service:				
Principal	1,995,040	2,009,639	14,599	1,955,823
Interest and Fiscal Charges	620,232	622,732	2,500	617,845
Total Debt Service	2,615,272	2,632,371	17,099	2,573,668
Total Expenditures	11,258,925	9,312,988	(1,945,937)	8,299,432
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,442,727)	(322,300)	2,120,427	2,296,397
<b>OTHER FINANCING SOURCES</b>				
Insurance Recovery	-	14,620	14,620	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,442,727)</u>	<u>(307,680)</u>	<u>\$ 2,135,047</u>	2,296,397
<b>FUND BALANCE</b>				
Beginning of Year		5,903,444		3,607,047
End of Year		<u>\$ 5,595,764</u>		<u>\$ 5,903,444</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**GENERAL FUND**  
**SCHEDULE OF SPECIAL EDUCATION REVENUE AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ -	\$ 717,253	\$ 717,253	\$ 655,997
Other	801,250	1,095,706	294,456	813,375
State Sources	39,246,126	39,728,285	482,159	35,959,785
Federal Sources	6,426,683	6,084,445	(342,238)	5,359,500
Total Revenues	46,474,059	47,625,689	1,151,630	42,788,657
<b>EXPENDITURES</b>				
Current:				
Special Education Instruction:				
Salaries	50,702,718	51,095,572	392,854	49,440,923
Employee Benefits	19,843,321	19,248,270	(595,051)	19,211,718
Purchased Services	1,344,947	1,419,633	74,686	1,282,139
Supplies and Materials	934,459	880,893	(53,566)	952,918
Capital Expenditures	173,481	461,240	287,759	622,058
Other Expenditures	112,000	5,799	(106,201)	245,493
Debt Service:				
Principal	194,000	171,600	(22,400)	189,852
Interest and Fiscal Charges	9,500	18,252	8,752	-
Total Expenditures	73,314,426	73,301,259	(13,167)	71,945,101
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>\$ (26,840,367)</u>	<u>\$ (25,675,570)</u>	<u>\$ 1,164,797</u>	<u>\$ (29,156,444)</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
FOOD SERVICE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and Investments	\$ 3,949,071	\$ 3,692,324
Receivables:		
Accounts and Interest Receivable	20,392	5,194
Due from Minnesota Department of Education	120,171	14,160
Due from Federal Through the Minnesota Department of Education	672,591	112,281
Inventory	<u>240,218</u>	<u>207,898</u>
Total Assets	<u><u>\$ 5,002,443</u></u>	<u><u>\$ 4,031,857</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 195,258	\$ 199,951
Payroll Deductions and Employer Contributions Payable	-	94,654
Accounts and Contracts Payable	278,861	59,600
Due to Other Governmental Units	60	-
Unearned Revenue	<u>412,425</u>	<u>697,615</u>
Total Liabilities	886,604	1,051,820
Fund Balance:		
Nonspendable:		
Inventory	240,218	207,898
Restricted for:		
Food Service	<u>3,875,621</u>	<u>2,772,139</u>
Total Fund Balance	<u><u>4,115,839</u></u>	<u><u>2,980,037</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 5,002,443</u></u>	<u><u>\$ 4,031,857</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**FOOD SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ 45,500	\$ 106,219	\$ 60,719	\$ 50,215
Other - Primarily Meal Sales	6,702,504	7,094,349	391,845	6,520,462
State Sources	732,575	793,658	61,083	719,749
Federal Sources	5,151,254	5,373,773	222,519	4,978,288
Total Revenues	<u>12,631,833</u>	<u>13,367,999</u>	<u>736,166</u>	<u>12,268,714</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	4,181,392	4,126,384	(55,008)	4,019,413
Employee Benefits	1,613,096	1,198,053	(415,043)	1,133,035
Purchased Services	738,609	589,639	(148,970)	511,366
Supplies and Materials	6,051,878	6,184,594	132,716	5,581,192
Other Expenditures	19,432	15,197	(4,235)	13,388
Capital Outlay	340,000	349,022	9,022	100,351
Total Expenditures	<u>12,944,407</u>	<u>12,462,889</u>	<u>(481,518)</u>	<u>11,358,745</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (312,574)</u>	905,110	<u>\$ 1,217,684</u>	909,969
<b>FUND BALANCE</b>				
Beginning of Year		2,980,037		2,070,068
Prior Period Restatement - See Note 10		230,692		-
Beginning of Year - as Restated		<u>3,210,729</u>		<u>2,070,068</u>
End of Year		<u>\$ 4,115,839</u>		<u>\$ 2,980,037</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
COMMUNITY SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and Investments	\$ 4,230,165	\$ 4,106,067
Receivables:		
Current Taxes	916,076	886,942
Delinquent Taxes	9,524	7,514
Accounts and Interest Receivable	77,433	24,333
Due from Minnesota Department of Education	373,072	373,085
Due from Federal Through the Minnesota Department of Education	6,332	12,545
Due from Other Governmental Units	5,068	22,927
Prepays	<u>4,285</u>	<u>400</u>
 Total Assets	 <u><u>\$ 5,621,955</u></u>	 <u><u>\$ 5,433,813</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 345,089	\$ 439,790
Payroll Deductions and Employer Contributions Payable	-	340,096
Accounts and Contracts Payable	107,306	87,347
Due to Other Governmental Units	4,950	5,492
Unearned Revenue	<u>668,675</u>	<u>549,322</u>
Total Liabilities	1,126,690	1,422,047
 Deferred Inflows:		
Property Taxes Levied for Subsequent Year	1,691,652	1,676,312
Unavailable Revenue - Delinquent Taxes	<u>9,524</u>	<u>7,514</u>
Total Deferred Inflows of Resources	1,701,176	1,683,826
 Fund Balance:		
Nonspendable:		
Prepays	4,285	400
Restricted for:		
Community Education	420,498	375,884
Early Childhood and Family Education	471,540	319,913
School Readiness	1,210,605	955,481
Adult Basic Education	505,996	521,073
Other Purposes	<u>181,165</u>	<u>155,189</u>
Total Fund Balance	<u>2,794,089</u>	<u>2,327,940</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance	 <u><u>\$ 5,621,955</u></u>	 <u><u>\$ 5,433,813</u></u>

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**COMMUNITY SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2019**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 1,662,238	\$ 1,673,788	\$ 11,550	\$ 1,673,277
Earnings and Investments	45,000	112,471	67,471	55,986
Other - Primarily Tuition and Fees	4,030,193	4,003,849	(26,344)	3,929,491
State Sources	3,266,010	3,227,499	(38,511)	3,270,273
Federal Sources	52,944	52,596	(348)	55,010
Total Revenues	9,056,385	9,070,203	13,818	8,984,037
<b>EXPENDITURES</b>				
Current:				
Salaries	5,573,618	5,674,498	100,880	5,426,499
Employee Benefits	1,692,865	1,633,408	(59,457)	1,563,298
Purchased Services	1,126,824	1,072,091	(54,733)	1,071,484
Supplies and Materials	449,548	322,203	(127,345)	395,811
Other Expenditures	13,843	27,481	13,638	27,573
Capital Outlay	24,300	9,882	(14,418)	28,376
Total Expenditures	8,880,998	8,739,563	(141,435)	8,513,041
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	175,387	330,640	155,253	470,996
<b>OTHER FINANCING SOURCES</b>				
Transfers In	50,000	135,509	85,509	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 225,387</u>	466,149	<u>\$ 240,762</u>	470,996
<b>FUND BALANCE</b>				
Beginning of Year		2,327,940		1,856,944
End of Year		<u>\$ 2,794,089</u>		<u>\$ 2,327,940</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND  
BALANCE SHEET  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and Investments	\$ 7,507,409	\$ 45,583,565
Cash with Fiscal Agent	-	8,244
Receivables:		
Accounts and Interest Receivable	-	107,296
Due from Other Funds	-	1,435
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 7,507,409</u>	<u>\$ 45,700,540</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts and Contracts Payable	\$ 1,479,722	\$ 8,990,823
Unearned Revenue	-	8,538
Total Liabilities	<u>1,479,722</u>	<u>8,999,361</u>
 Fund Balance:		
Restricted for Capital Projects	<u>6,027,687</u>	<u>36,701,179</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balance	<u>\$ 7,507,409</u>	<u>\$ 45,700,540</u>



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Earnings and Investments	\$ 230,000	\$ 434,988	\$ 204,988	\$ 439,496
Other	-	97,152	97,152	106,413
Total Revenues	<u>230,000</u>	<u>532,140</u>	<u>302,140</u>	<u>545,909</u>
<b>EXPENDITURES</b>				
Current:				
Purchased Services	-	2,968,875	2,968,875	8,361,173
Supplies and Materials	-	680,002	680,002	1,503,979
Capital Outlay	32,976,300	27,556,755	(5,419,545)	49,714,208
Debt Service:				
Interest and Fiscal Charges	-	-	-	74,114.00
Total Expenditures	<u>32,976,300</u>	<u>31,205,632</u>	<u>(1,770,668)</u>	<u>59,653,474</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (32,746,300)</u>	<u>(30,673,492)</u>	<u>\$ 2,072,808</u>	<u>(59,107,565)</u>
<b>FUND BALANCE</b>				
Beginning of Year		<u>36,701,179</u>		<u>95,808,744</u>
End of Year		<u>\$ 6,027,687</u>		<u>\$ 36,701,179</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Regular Debt Service	OPEB Debt Service	Totals	
			2019	2018
<b>ASSETS</b>				
Cash and Investments	\$ 7,586,175	\$ 2,225,706	\$ 9,811,881	\$ 11,264,313
Receivables:				
Current Taxes	9,657,604	-	9,657,604	8,806,995
Delinquent Taxes	50,727	46,675	97,402	79,770
Due from Minnesota Department of Education	13,891	160	14,051	11,592
Due from Other Governmental Units	21,708	28,749	50,457	161,510
Due from Other Funds	-	-	-	1,218
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,218</u>
Total Assets	<u>\$ 17,330,105</u>	<u>\$ 2,301,290</u>	<u>\$ 19,631,395</u>	<u>\$ 20,325,398</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
Liabilities:				
Due to Other Funds	\$ -	\$ -	\$ -	\$ 2,824
Deferred Inflows:				
Property Taxes Levied for Subsequent Year	17,834,002	-	17,834,002	16,650,110
Unavailable Revenue - Delinquent Taxes	50,727	46,675	97,402	79,763
Total Deferred Inflows of Resources	<u>17,884,729</u>	<u>46,675</u>	<u>17,931,404</u>	<u>16,729,873</u>
Fund Balance:				
Restricted for Debt Service	-	2,254,615	2,254,615	3,592,701
Unassigned	<u>(554,624)</u>	<u>-</u>	<u>(554,624)</u>	<u>-</u>
Total Fund Balance	<u>(554,624)</u>	<u>2,254,615</u>	<u>1,699,991</u>	<u>3,592,701</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 17,330,105</u>	<u>\$ 2,301,290</u>	<u>\$ 19,631,395</u>	<u>\$ 20,325,398</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019					2018
		Actual				
	Final Budgeted Amounts	Regular Debt Service	OPEB Debt Service	Total Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>						
Local Sources:						
Property Taxes	\$ 16,514,783	\$ 6,989,566	\$ 9,621,487	\$ 16,611,053	\$ 96,270	\$ 16,800,837
Earnings and Investments	90,000	54,545	118,236	172,781	82,781	115,378
State Sources	600	140,039	1,611	141,650	141,050	118,793
Total Revenues	16,605,383	7,184,150	9,741,334	16,925,484	320,101	17,035,008
<b>EXPENDITURES</b>						
Debt Service:						
Bond Principal	13,458,000	3,345,000	9,125,000	12,470,000	(988,000)	11,885,000
Bond Interest	6,761,002	5,889,570	456,249	6,345,819	(415,183)	6,893,867
Paying Agent Fees and Other	11,000	1,900	475	2,375	(8,625)	2,250
Total Expenditures	20,230,002	9,236,470	9,581,724	18,818,194	(1,411,808)	18,781,117
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (3,624,619)</u>	(2,052,320)	159,610	(1,892,710)	<u>\$ 1,731,909</u>	(1,746,109)
<b>FUND BALANCE</b>						
Beginning of Year		1,497,696	2,095,005	3,592,701		5,338,810
End of Year		<u>\$ (554,624)</u>	<u>\$ 2,254,615</u>	<u>\$ 1,699,991</u>		<u>\$ 3,592,701</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
DEBT SERVICE FUND – GENERAL ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 6,956,771	\$ 6,989,566	\$ 32,795	\$ 6,792,415
Earnings and Investments	50,000	54,545	4,545	46,758
State Sources		140,039	140,039	116,263
Total Revenues	<u>7,006,771</u>	<u>7,184,150</u>	<u>177,379</u>	<u>6,955,436</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	4,333,000	3,345,000	(988,000)	3,220,000
Interest	6,304,752	5,889,570	(415,182)	6,004,367
Fiscal Charges and Other	10,000	1,900	(8,100)	1,800
Total Expenditures	<u>10,647,752</u>	<u>9,236,470</u>	<u>(1,411,282)</u>	<u>9,226,167</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (3,640,981)</u>	<u>(2,052,320)</u>	<u>\$ 1,588,661</u>	<u>(2,270,731)</u>
<b>FUND BALANCE</b>				
Beginning of Year		<u>1,497,696</u>		<u>3,768,427</u>
End of Year		<u>\$ (554,624)</u>		<u>\$ 1,497,696</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
DEBT SERVICE FUND – OPEB ACCOUNT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019			2018
	Final Budget	Actual Amounts	Over (Under) Final Budget	Actual Amounts
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 9,558,012	\$ 9,621,487	\$ 63,475	\$ 10,008,422
Earnings and Investments	40,000	118,236	78,236	68,620
State Sources	-	1,611	1,611	2,530
Total Revenues	<u>9,598,012</u>	<u>9,741,334</u>	<u>143,322</u>	<u>10,079,572</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	9,125,000	9,125,000	-	8,665,000
Interest	456,250	456,249	-	889,500
Fiscal Charges and Other	1,000	475	(525)	450
Total Expenditures	<u>9,582,250</u>	<u>9,581,724</u>	<u>(525)</u>	<u>9,554,950</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 15,762</u>	159,610	<u>\$ 143,847</u>	524,622
<b>FUND BALANCE</b>				
Beginning of Year		<u>2,095,005</u>		<u>1,570,383</u>
End of Year		<u>\$ 2,254,615</u>		<u>\$ 2,095,005</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2019**

	Severance Benefits	Self-Insured Dental Benefits	Self-Insured Health Benefits	Totals	
				2019	2018
<b>ASSETS</b>					
Cash and Investments	\$ 10,430,945	\$ 194,247	\$ 24,779,234	\$ 35,404,426	\$ 33,853,310
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Claims Payable	-	10,309	3,799,872	3,810,181	3,225,636
Severance Benefits Payable	1,508,779	-	-	1,508,779	1,429,535
Unearned Revenue	-	-	8,665,547	8,665,547	7,979,256
Total Current Liabilities	1,508,779	10,309	12,465,419	13,984,507	12,634,427
<b>Long-Term Liabilities:</b>					
Severance Benefits Payable	13,150,101	-	-	13,150,101	13,728,780
Total Liabilities	14,658,880	10,309	12,465,419	27,134,608	26,363,207
<b>NET POSITION</b>					
Unrestricted	\$ (4,227,935)	\$ 183,938	\$ 12,313,815	\$ 8,269,818	\$ 7,490,103

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSE, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2019**

	Severance Benefits	Self-Insured Dental Benefits	Self-Insured Health Benefits	Totals	
				2019	2018
<b>OPERATING REVENUES</b>					
Local Sources:					
Contributions from Governmental Funds	\$ 1,267,752	\$ 453,370	\$ 44,072,218	\$ 45,793,340	44,152,528
Contributions from Employees	-	5,593	6,787,794	6,793,387	5,327,362
Total Operating Revenues	<u>1,267,752</u>	<u>458,963</u>	<u>50,860,012</u>	<u>52,586,727</u>	<u>49,479,890</u>
<b>OPERATING EXPENSES</b>					
Severance Benefits	768,317	-	-	768,317	2,516,394
Self-Insured Benefits	-	410,243	51,252,183	51,662,426	47,048,277
Total Operating Expenses	<u>768,317</u>	<u>410,243</u>	<u>51,252,183</u>	<u>52,430,743</u>	<u>49,564,671</u>
<b>OPERATING INCOME</b>	499,435	48,720	(392,171)	155,984	(84,781)
<b>NONOPERATING REVENUE</b>					
Earnings on Investments	<u>253,952</u>	<u>2,487</u>	<u>367,292</u>	<u>623,731</u>	<u>3,439,299</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	753,387	51,207	(24,879)	779,715	3,354,518
Transfers Out	-	-	-	-	(30,559,634)
<b>CHANGE IN NET POSITION</b>	753,387	51,207	(24,879)	779,715	(27,205,116)
Net Position - Beginning	<u>(4,981,322)</u>	<u>132,731</u>	<u>12,338,694</u>	<u>7,490,103</u>	<u>34,695,219</u>
<b>NET POSITION - ENDING</b>	<u>\$ (4,227,935)</u>	<u>\$ 183,938</u>	<u>\$ 12,313,815</u>	<u>\$ 8,269,818</u>	<u>\$ 7,490,103</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2019**

	Severance Benefits	Self Insured Dental Benefits	Self-Insured Health Benefits	Totals	
				2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Assessments Made to Other Funds	\$ 1,267,752	\$ 453,370	\$ 44,072,218	\$ 45,793,340	\$ 44,152,528
Receipts from Employee Contributions	-	5,593	7,474,085	7,479,678	5,819,188
Payments for Severance, OPEB, and Self-Insurance Claims	(1,267,752)	(414,147)	(50,663,734)	(52,345,633)	(86,284,803)
Net Cash Provided (Used) by Operating Activities	-	44,816	882,569	927,385	(36,313,087)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	253,952	2,487	367,292	623,731	3,520,155
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	253,952	47,303	1,249,861	1,551,116	(32,792,932)
Cash and Cash Equivalents - Beginning	10,176,993	146,944	23,529,373	33,853,310	66,646,242
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u>\$ 10,430,945</u>	<u>\$ 194,247</u>	<u>\$ 24,779,234</u>	<u>\$ 35,404,426</u>	<u>\$ 33,853,310</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 499,435	\$ 48,720	\$ (392,171)	\$ 155,984	\$ (84,781)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Transfer to Fiduciary Fund	-	-	-	-	(38,292,310)
Increase (Decrease) in Claims Payable	-	(3,904)	588,449	584,545	(223,138)
Increase in Unearned Revenue	-	-	686,291	686,291	491,826
Increase (Decrease) in Severance Benefits Payable	(499,435)	-	-	(499,435)	1,795,316
Total Adjustments	(499,435)	(3,904)	1,274,740	771,401	(36,228,306)
Net Cash Provided (Used) by Operating Activities	<u>\$ -</u>	<u>\$ 44,816</u>	<u>\$ 882,569</u>	<u>\$ 927,385</u>	<u>\$ (36,313,087)</u>



**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2019**

	Graduate Credit Program	Minnesota Reading Recovery Conference	Total
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 29,990	\$ 3,367	\$ 33,357
<b>LIABILITIES</b>			
Accounts and Contracts Payable	\$ 29,990	\$ 3,367	\$ 33,357

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2019**

	Balance - Beginning of Year	Additions	Deletions	Balance - End of Year
Graduate Credit Program				
Assets				
Cash and Temporary Investments	\$ 27,575	\$ 8,547	\$ 6,132	\$ 29,990
Liabilities				
Accounts and Contracts Payable	\$ 27,575	\$ 28,790	\$ 26,375	\$ 29,990
Minnesota Reading Recovery Conference				
Assets				
Cash and Temporary Investments	\$ 3,165	\$ 22,512	\$ 22,310	\$ 3,367
Liabilities				
Accounts and Contracts Payable	\$ 3,165	\$ 202	\$ -	\$ 3,367
Total - All Agency Funds				
Assets				
Cash and Temporary Investments	\$ 30,740	\$ 31,059	\$ 28,442	\$ 33,357
Liabilities				
Accounts and Contracts Payable	\$ 30,740	\$ 28,992	\$ 26,375	\$ 33,357

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE  
YEAR ENDED JUNE 30, 2019**

	AUDIT	UFARS	DIFFERENCE
<b>01 GENERAL FUND</b>			
Total Revenue	\$ 377,138,953	\$ 377,138,950	\$ 3
Total Expenditures	370,564,521	370,564,518	3
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	1,421,379	1,421,379	-
<i>Restricted:</i>			
403 Staff Development	-	-	-
406 Health and Safety	-	-	-
407 Capital Project Levy	1,150,621	1,150,621	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	4,947,277	4,947,277	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	-	-	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Sage Schools Crime Levy	(1,295,682)	(1,295,682)	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
467 LTFM	4,071,499	4,071,499	-
472 Medical Assistance	671,447	671,447	-
464 Restricted Fund Balance	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	-	-	-
<i>Assigned:</i>			
462 Assigned Fund Balance	1,311,999	1,311,999	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	38,648,473	38,648,473	-
<b>02 FOOD SERVICE</b>			
Total Revenue	13,367,999	13,367,996	3
Total Expenditures	12,462,889	12,462,887	2
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	240,218	240,218	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	3,875,621	3,875,620	1
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>04 COMMUNITY SERVICE</b>			
Total Revenue	9,070,203	9,070,200	3
Total Expenditures	8,739,563	8,739,559	4
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	4,285	4,285	-
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	420,498	420,498	-
432 E.C.F.E.	471,540	471,540	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	1,210,605	1,210,605	-
447 Adult Basic Education	505,996	505,996	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	181,165	181,165	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS  
COMPLIANCE TABLE (CONTINUED)  
YEAR ENDED JUNE 30, 2019**

	AUDIT	UFARS	DIFFERENCE
<b>06 BUILDING CONSTRUCTION</b>			
Total Revenue	\$ 532,140	\$ 532,140	\$ -
Total Expenditures	31,205,632	31,205,634	(2)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
407 Capital Projects Levy	-	-	-
409 Alternative Facility Program	-	-	-
8984	-	-	-
467 LTFM	-	-	-
464 Restricted Fund Balance	6,027,687	6,027,687	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
<b>07 DEBT SERVICE</b>			
Total Revenue	7,184,150	7,184,149	1
Total Expenditures	9,236,470	9,236,469	1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	(554,624)	(554,624)	-
<b>08 TRUST</b>			
Total Revenue	1,673,854	1,673,854	-
Total Expenditures	1,589,502	1,589,502	-
<i>Net Position:</i>			
422 Net Position	629,395	629,395	-
<b>20 INTERNAL SERVICE</b>			
Total Revenue	53,210,458	53,210,457	1
Total Expenditures	52,430,743	52,430,743	-
<i>Net Position:</i>			
422 Net Position	8,269,818	8,269,818	-
<b>25 OPEB REVOCABLE TRUST</b>			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
<b>45 OPEB IRREVOCABLE TRUST</b>			
Total Revenue	5,311,337	5,311,337	-
Total Expenditures	4,783,071	4,783,071	-
<i>Net Position:</i>			
422 Net Position	54,485,170	54,485,170	-
<b>47 OPEB DEBT SERVICE</b>			
Total Revenue	9,741,334	9,741,333	1
Total Expenditures	9,581,724	9,581,725	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	2,254,615	2,254,614	1
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

## STATISTICAL SECTION (UNAUDITED)

This section of Independent School District No. 196's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<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.	131
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.	140
<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.	146
<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.	149
<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.	151

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
Net Investment in Capital Assets	\$ 119,230,936	\$ 125,050,825	\$ 132,049,464	\$ 140,892,970	\$ 148,790,976	\$ 158,918,349	\$ 154,681,937	\$ 149,036,967	\$ 112,909,002	\$ 116,725,381
Restricted for:										
Capital Asset Acquisition	272,613	1,900,381	1,195,907	1,546,791	3,109,569	3,017,560	2,551,987	7,056,555	19,609,902	7,507,409
Debt Service	4,243,774	4,710,365	3,478,996	3,048,044	3,146,047	2,521,510	4,332,306	2,320,162	1,028,372	-
Other Postemployment Benefits	-	-	-	-	-	-	10,112	9,646,093	3,821,706	1,811,073
Other Purposes	4,802,276	4,285,838	3,796,239	3,899,144	3,665,502	3,223,691	3,083,262	7,378,316	14,634,189	17,760,294
Unrestricted	20,067,683	22,415,867	25,951,166	29,225,638	27,764,005	(191,421,788)	(186,199,312)	(286,586,292)	(384,314,650)	(279,452,776)
Total Governmental Activities										
Net Position	<u>\$ 148,617,282</u>	<u>\$ 158,363,276</u>	<u>\$ 166,471,772</u>	<u>\$ 178,612,587</u>	<u>\$ 186,476,099</u>	<u>\$ (23,740,678)</u>	<u>\$ (21,539,708)</u>	<u>\$ (111,148,199)</u>	<u>\$ (232,311,479)</u>	<u>\$ (135,648,619)</u>

Note: The District implemented GASB Statement No. 68 in 2015, which resulted in a \$222,722,907 reduction of beginning net position. In 2018 the District implemented GASB Statement No. 75, which resulted in a \$24,200,608 reduction of beginning net position. Prior year information has not been restated for the effects of either of these standards. .

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities:				
Expenses:				
Administration	\$ 12,497,969	\$ 11,180,500	\$ 11,137,222	\$ 11,433,970
District Support Services	8,540,817	8,294,596	8,400,776	8,309,187
Elementary and Secondary Regular Instruction	150,566,426	147,871,836	148,397,275	147,547,387
Vocational Education Instruction	3,540,400	3,771,098	3,867,848	3,878,014
Special Education Instruction	55,603,648	56,254,830	56,495,369	57,500,259
Instructional Support Services	14,365,141	13,330,690	13,764,619	16,280,078
Pupil Support Services	20,712,281	22,136,945	21,828,053	22,089,783
Sites and Buildings	26,723,703	25,708,804	25,949,814	23,639,275
Fiscal and Other Fixed Cost Programs	475,935	480,313	539,813	598,093
Food Service	10,782,848	10,846,263	11,381,527	10,942,769
Community Service	9,093,156	9,231,014	9,361,591	9,754,914
Unallocated Depreciation	9,814,728	9,918,941	9,957,859	10,385,661
Interest and Fiscal Charges on Debt	7,825,797	7,841,877	6,718,174	5,894,160
Total Expenses	330,542,849	326,867,707	327,799,940	328,253,550
Program Revenues:				
Charges for Services:				
Administration	-	-	-	-
District Support Services	110,015	92,363	134,773	130,907
Elementary and Secondary Regular Instruction	5,560,131	5,640,999	6,256,482	6,294,929
Vocational Education Instruction	21,059	13,070	12,633	14,197
Special Education Instruction	127,208	323,786	286,617	313,960
Instructional Support Services	34,560	33,087	34,718	53,566
Pupil Support Services	812,921	931,678	1,121,369	1,124,840
Sites and Buildings	122,706	213,825	128,841	93,836
Food Service	7,390,904	7,219,979	7,026,043	6,547,387
Community Service	4,614,030	4,915,046	5,349,086	5,441,560
Operating Grants and Contributions	45,687,662	48,184,008	45,572,463	47,069,459
Capital Grants and Contributions	37,444	52,688	23,875	41,520
Total Program Revenues	64,518,640	67,620,529	65,946,900	67,126,161
Net (Expense) Revenue	(266,024,209)	(259,247,178)	(261,853,040)	(261,127,389)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes	50,921,613	75,606,000	48,125,441	47,579,360
Property Taxes, Levied for Community Service	1,613,879	2,444,228	1,591,757	1,658,474
Property Taxes, Levied for Facility Improvements	4,847,224	7,322,623	7,703,130	6,637,900
Property Taxes, Levied for Debt Service	17,203,207	18,379,723	18,497,035	19,463,752
General Grants and Aids	183,031,690	157,855,931	192,639,683	191,800,239
Other General Revenues	2,374,094	2,417,001	2,280,965	2,841,805
Investment Earnings (Loss)	1,326,954	4,967,666	(876,475)	3,286,674
Total General Revenues	261,318,661	268,993,172	269,961,536	273,268,204
Change in Net Position	\$ (4,705,548)	\$ 9,745,994	\$ 8,108,496	\$ 12,140,815

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 12,788,255	\$ 12,801,745	\$ 15,493,748	\$ 19,813,397	\$ 19,849,495	\$ 12,051,588
8,478,285	9,142,598	9,058,209	9,785,816	11,304,721	11,702,181
150,639,805	160,761,078	166,000,943	238,876,726	237,331,260	121,251,866
3,894,552	4,089,165	5,237,887	7,252,774	6,971,224	3,561,099
60,005,088	61,805,761	65,647,768	90,835,750	92,821,199	73,220,623
16,554,014	18,302,791	19,753,852	27,432,668	27,761,713	16,663,894
22,561,249	22,639,915	23,523,058	27,520,644	28,187,078	24,625,849
25,311,941	24,878,718	27,849,964	30,156,308	44,032,340	34,429,780
697,917	651,864	650,603	613,851	582,782	1,182,069
11,359,961	11,787,045	12,302,155	12,468,780	11,440,841	12,227,206
9,802,212	7,954,502	8,211,003	10,479,888	10,362,136	7,301,923
9,805,568	10,322,952	10,580,519	10,454,449	10,559,793	10,310,511
4,601,447	4,033,890	4,760,111	6,031,917	4,880,487	5,145,850
336,500,294	349,172,024	369,069,820	491,722,968	506,085,069	333,674,439
-	-	-	4,392	435,369	429,722
112,285	141,218	203,086	111,607	191,466	258,441
6,289,085	5,966,969	6,205,284	3,440,568	3,866,135	3,810,261
17,675	17,997	3,343	-	-	940
271,959	978,884	961,972	1,044,883	796,072	1,082,057
44,434	24,389	143,290	-	16,158	17,965
1,190,359	1,249,628	231,078	148,992	267,920	242,342
123,572	245,482	118,028	-	-	-
6,519,363	6,376,625	6,390,305	6,663,041	6,479,339	7,049,877
5,759,982	3,373,200	3,325,681	3,768,615	3,646,054	3,663,168
48,096,296	54,043,906	58,170,271	64,488,748	85,003,445	101,343,381
103,677	62,540	8,105	334,716	4,963,687	5,300,870
68,528,687	72,480,838	75,760,443	80,005,562	105,665,645	123,199,024
(267,971,607)	(276,691,186)	(293,309,377)	(411,717,406)	(400,419,424)	(210,475,415)
24,660,338	51,982,775	53,871,623	66,731,765	71,069,187	72,968,496
850,036	1,678,863	1,662,796	1,671,770	1,670,006	1,675,955
6,020,570	6,220,053	8,535,237	-	-	-
18,533,559	19,185,246	14,584,470	17,426,213	16,767,998	16,632,558
218,035,675	208,882,436	215,880,510	229,657,806	208,324,498	212,253,653
2,329,934	383,544	563,633	258,267	465,747	3,014,218
5,405,007	864,399	412,078	6,363,094	5,159,316	362,703
275,835,119	289,197,316	295,510,347	322,108,915	303,456,752	306,907,583
\$ 7,863,512	\$ 12,506,130	\$ 2,200,970	\$ (89,608,491)	\$ (96,962,672)	\$ 96,432,168



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
General Fund:				
Reserved	\$ 3,206,123	\$ -	\$ -	\$ -
Unreserved	31,828,883	-	-	-
Nonspendable	-	773,859	843,827	854,963
Restricted	-	2,218,810	1,195,907	1,714,690
Assigned	-	8,962,579	9,487,053	20,341,273
Unassigned	-	23,542,504	29,847,225	16,844,900
Total General Fund	<u>\$ 35,035,006</u>	<u>\$ 35,497,752</u>	<u>\$ 41,374,012</u>	<u>\$ 39,755,826</u>
All Other Governmental Funds:				
Reserved	\$ 3,085,685	\$ -	\$ -	\$ -
Unreserved, Reported in:				
Special Revenue Funds	2,562,040	-	-	-
Capital Projects – Building Construction Fund	(1,396,911)	-	-	-
Debt Service Fund	5,290,924	-	-	-
Nonspendable	-	319,961	196,015	249,138
Restricted	-	9,393,920	36,826,306	49,345,541
Unassigned, Reported in:				
Capital Projects – Building Construction Fund	-	(91,298)	-	-
Debt Service Funds	-	-	-	-
Total All Other Governmental Funds	<u>\$ 9,541,738</u>	<u>\$ 9,622,583</u>	<u>\$ 37,022,321</u>	<u>\$ 49,594,679</u>

Note: The District implemented GASB Statement No. 54 in fiscal 2011, which established new fund balance classifications.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
940,209	924,736	967,324	1,061,586	1,050,944	1,421,379
3,010,821	3,296,572	2,454,724	5,838,313	9,318,698	10,840,842
8,451,360	6,636,835	10,790,390	7,472,160	8,399,254	1,311,999
18,728,496	21,074,506	16,839,773	22,263,362	25,699,811	37,352,793
<u>\$ 31,130,886</u>	<u>\$ 31,932,649</u>	<u>\$ 31,052,211</u>	<u>\$ 36,635,421</u>	<u>\$ 44,468,707</u>	<u>\$ 50,927,013</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
172,385	132,289	136,641	163,619	208,298	244,503
30,575,969	19,888,229	138,407,574	104,910,947	45,393,559	14,947,727
-	(279,012)	-	-	-	-
-	-	-	-	-	(554,624)
<u>\$ 30,748,354</u>	<u>\$ 19,741,506</u>	<u>\$ 138,544,215</u>	<u>\$ 105,074,566</u>	<u>\$ 45,601,857</u>	<u>\$ 14,637,606</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
Revenues:				
Local Sources:				
Taxes	\$ 74,528,277	\$ 103,540,368	\$ 75,872,335	\$ 75,534,830
Investment Earnings	303,790	108,110	62,715	183,896
Other	22,855,768	23,736,052	24,616,940	24,762,575
State Sources	196,502,525	190,544,694	218,969,312	224,715,822
Federal Sources	30,566,131	13,612,715	17,281,296	12,289,808
Total Revenues	324,756,491	331,541,939	336,802,598	337,486,931
Expenditures:				
Current:				
Administration	10,936,881	10,610,352	10,884,027	11,685,219
District Support Services	8,337,360	8,003,178	8,390,674	8,303,655
Elementary and Secondary				
Regular Instruction	148,836,850	146,233,427	146,550,850	146,884,786
Vocational Education Instruction	3,590,812	3,684,086	3,820,177	3,860,595
Special Education Instruction	54,584,837	55,441,820	55,821,234	57,700,284
Instructional Support Services	14,147,361	13,266,880	13,446,242	16,120,814
Pupil Support Services	21,601,756	21,823,059	20,036,358	22,686,884
Sites and Buildings	21,957,328	21,853,910	26,073,195	22,380,519
Fiscal and Other Fixed Cost Programs	475,935	480,313	539,813	598,093
Food Service	10,656,596	10,859,314	11,130,758	10,707,855
Community Service	8,974,527	9,085,817	9,230,564	9,772,281
Capital Outlay	9,200,584	9,795,213	8,609,979	6,200,964
Debt Service:				
Principal	17,415,183	17,084,198	17,203,854	16,871,223
Interest and Fiscal Charges	5,611,984	5,443,472	5,470,324	5,368,621
Total Expenditures	336,327,994	333,665,039	337,208,049	339,141,793
Excess of Revenues Over (Under) Expenditures	(11,571,503)	(2,123,100)	(405,451)	(1,654,862)
Other Financing Sources (Uses):				
Transfers in	5,056,267	7,434,560	7,813,886	6,749,505
Transfers out	(5,056,267)	(7,434,560)	(7,813,886)	(7,456,023)
Refunding Debt Issued	-	-	34,800,000	12,100,000
Debt Issued	-	2,705,000	-	-
Premium on Debt Issued	-	-	4,406,816	811,026
Discount on Debt Issued	-	(41,187)	-	-
Bond Refunding Payments	-	-	(11,185,000)	-
Capital Leases and Other Loans	496,033	-	5,478,812	-
Insurance Recovery	-	-	-	-
Judgments for the School District	-	-	-	-
Sale of Capital Assets	153,996	2,878	180,821	404,526
Total Other Financing Sources (Uses)	650,029	2,666,691	33,681,449	12,609,034
Net Change in Fund Balances	\$ (10,921,474)	\$ 543,591	\$ 33,275,998	\$ 10,954,172
Debt Service as a Percentage of Noncapital Expenditures	7.0%	6.9%	6.9%	6.7%

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 50,312,679	\$ 79,262,313	\$ 78,828,084	\$ 85,651,484	\$ 89,682,487	\$ 91,158,991
254,245	197,264	990,686	1,525,963	1,720,017	2,390,487
24,827,075	21,183,365	20,303,840	21,655,777	21,241,570	21,450,041
251,943,911	247,270,824	258,200,427	264,144,986	275,878,205	285,746,486
12,123,310	12,820,914	13,700,319	14,628,580	15,834,368	16,232,102
339,461,220	360,734,680	372,023,356	387,606,790	404,356,647	416,978,107
12,662,675	13,188,527	14,846,637	14,931,628	15,599,003	16,342,073
8,245,964	8,802,535	9,360,367	9,807,545	10,694,868	12,008,717
151,453,547	160,442,599	165,181,027	169,848,898	173,672,800	177,357,744
3,899,432	4,161,539	5,198,949	5,013,173	5,137,316	5,396,017
60,749,987	62,011,436	65,226,216	68,020,953	71,133,191	72,650,167
16,734,739	18,361,748	19,695,766	20,664,400	21,616,857	22,489,640
23,318,080	22,991,342	23,694,661	24,615,829	25,550,001	26,181,738
22,906,580	21,468,077	21,979,790	25,390,808	23,681,891	25,398,051
697,917	651,864	650,603	613,851	582,782	1,182,069
11,253,357	11,509,963	11,757,651	11,992,184	11,258,394	12,113,867
9,784,435	7,739,627	8,044,250	8,822,111	8,751,046	8,933,712
13,388,239	19,028,484	11,640,890	33,546,532	68,021,071	40,050,087
16,460,404	17,880,544	13,326,884	14,394,446	14,079,855	14,694,828
4,897,774	4,586,660	4,384,850	7,911,158	7,595,387	6,992,089
356,453,130	372,824,945	374,988,541	415,573,516	457,374,462	441,790,799
(16,991,910)	(12,090,265)	(2,965,185)	(27,966,726)	(53,017,815)	(24,812,692)
6,128,424	6,225,838	8,554,099	20,122	-	135,509
(6,128,424)	(6,225,838)	(8,554,099)	(20,122)	-	(135,509)
2,230,000	-	-	-	-	-
13,710,000	-	112,150,000	-	-	-
325,933	-	20,355,238	-	-	-
-	-	-	-	-	-
(26,850,000)	(2,325,000)	(12,125,000)	-	-	-
96,569	4,200,000	480,000	-	1,043,209	-
-	-	-	-	311,212	56,303
-	-	-	-	-	369
8,143	10,180	27,218	80,287	23,971	19,383
(10,479,355)	1,885,180	120,887,456	80,287	1,378,392	76,055
\$ (27,471,265)	\$ (10,205,085)	\$ 117,922,271	\$ (27,886,439)	\$ (51,639,423)	\$ (24,736,637)
6.2%	6.3%	4.8%	5.8%	5.3%	5.3%

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES AND LEVY TYPE  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

Fiscal Year	Property Tax				
	General Purposes	Community Service	Capital Projects – Facility Improvement	Debt Service	Total
2010	\$ 50,921,613	\$ 1,613,879	\$ 4,847,224	\$ 17,203,207	\$ 74,585,923
2011	75,606,000	2,444,228	7,322,623	18,379,723	103,752,574
2012	48,125,441	1,591,757	7,703,130	18,497,035	75,917,363
2013	47,579,360	1,658,474	6,637,900	19,463,752	75,339,486
2014	24,660,338	850,036	6,020,570	18,533,559	50,064,503
2015	51,982,775	1,678,863	6,220,053	19,185,246	79,066,937
2016	53,871,623	1,662,796	8,535,237	14,584,470	78,654,126
2017	66,731,765	1,671,770	–	17,426,213	85,829,748
2018	71,069,187	1,670,006	–	16,767,998	89,507,191
2019	72,968,496	1,675,955	–	212,253,653	286,898,104

Note: Legislative changes in the “tax shift” impacted the amount of tax revenue recognized in fiscal years 2011 and 2014. These changes were offset by an adjustment to state aid payments of an equal amount.

Per CAFR Statement of Activities.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
TAX CAPACITY AND ESTIMATED MARKET VALUE OF PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Tax Collection Calendar Year	Tax Capacity (1)				Tax Rate Determining Value Subtotal	
	Real and Personal Property	Fiscal Disparities Contribution	Tax Increment	Amount	Percent Increase (Decrease)	
2010	\$ 169,877,287	\$ (16,063,641)	\$ (4,480,095)	\$ 149,333,551	(6.6) %	
2011	159,044,236	(16,085,261)	(3,758,099)	139,200,876	(6.8)	
2012	148,173,078	(15,228,004)	(3,364,482)	129,580,592	(6.9)	
2013	140,967,953	(15,126,445)	(1,921,746)	123,919,762	(4.4)	
2014	145,202,900	(14,651,943)	(2,002,926)	128,548,031	3.7	
2015	158,041,081	(14,673,865)	(2,150,890)	141,216,326	9.9	
2016	166,440,791	(14,921,393)	(1,904,735)	149,614,663	5.9	
2017	173,554,906	(15,383,669)	(2,471,521)	155,699,716	4.1	
2018	186,318,358	(15,403,001)	(3,128,406)	167,786,951	7.8	
2019	201,428,701	(15,818,379)	(3,731,389)	181,878,933	8.4	

(1) Tax capacity is calculated by applying class rates (for specific property classifications such as residential, commercial, etc.) to the assessed market value. Class rates are periodically changed by the state.

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
TAX CAPACITY AND ESTIMATED MARKET VALUE OF PROPERTY (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Tax Capacity (1)

Fiscal Disparities Distribution	Total Tax Capacity	Referendum Market Value	
		Amount	Percent Increase
\$ 21,289,264	\$ 170,622,815	\$ 14,638,612,100	(6.1) %
21,042,211	160,243,087	13,695,749,525	(6.4)
19,083,897	148,664,489	13,379,616,185	(2.3)
17,944,344	141,864,106	12,717,603,775	(4.9)
17,217,872	145,765,903	13,089,930,995	2.9
17,375,325	158,591,651	14,246,590,466	8.8
17,855,260	167,469,923	14,984,685,831	5.2
19,309,802	175,009,518	15,593,078,470	4.1
20,713,134	188,500,085	16,705,743,318	7.1
22,023,827	203,902,760	18,061,396,485	8.1

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

		Independent School District No. 196				Overlapping Rates, Municipalities, and Townships					
	Year		Community	Debt							
Rate	Collectible	General Fund	Service Special Revenue Fund	Service Fund	Total	Apple Valley	Burnsville	Coates	Eagan	Farmington	Inver Grove Heights
Tax Capacity Rate	2010	12.918	1.013	11.460	25.391	39.848	38.568	16.605	30.407	49.274	43.002
Market Value Rate	2010	0.223	-	-	0.223	0.034	-	-	0.016	-	-
Tax Capacity Rate	2011	13.718	1.061	12.180	26.959	42.388	42.598	14.343	33.675	55.733	43.169
Market Value Rate	2011	0.226	-	-	0.226	0.038	-	-	0.017	-	-
Tax Capacity Rate	2012	14.102	1.116	13.222	28.440	44.110	43.213	18.984	34.553	63.093	44.883
Market Value Rate	2012	0.221	-	-	0.221	0.042	-	-	0.016	-	-
Tax Capacity Rate	2013	13.627	1.182	13.147	27.956	49.210	47.021	22.842	38.272	66.821	46.312
Market Value Rate	2013	0.235	-	-	0.235	0.021	-	-	0.017	-	-
Tax Capacity Rate	2014	13.325	1.149	13.132	27.606	47.891	46.670	19.507	38.250	65.876	46.128
Market Value Rate	2014	0.258	-	-	0.258	0.021	-	-	0.017	-	-
Tax Capacity Rate	2015	12.859	1.032	9.380	23.271	45.274	44.790	20.081	36.525	61.455	48.131
Market Value Rate	2015	0.255	-	-	0.255	0.020	-	-	0.016	-	-
Tax Capacity Rate	2016	12.843	1.004	10.470	24.317	44.721	46.525	17.482	37.097	59.239	49.266
Market Value Rate	2016	0.270	-	-	0.270	0.020	-	-	0.015	-	-
Tax Capacity Rate	2017	13.000	0.915	9.421	23.336	44.473	46.557	17.490	37.385	58.760	51.644
Market Value Rate	2017	0.274	-	-	0.274	0.020	-	-	0.015	-	-
Tax Capacity Rate	2018	11.728	0.880	8.744	21.352	42.475	43.552	17.399	36.378	57.161	51.112
Market Value Rate	2018	0.267	-	-	0.267	0.018	-	-	0.013	-	-
Tax Capacity Rate	2019	12.511	0.860	7.242	20.613	39.603	43.595	15.688	35.227	54.372	53.537
Market Value Rate	2019	0.261	-	-	0.261	0.017	-	-	0.012	-	-

(1) Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all the District's property owners (e.g., the rates for special districts apply only to the proportion of the District's property owners whose property is located within the geographic boundaries of the special district).

(2) The miscellaneous other levy includes the Metropolitan Council, Mosquito Abatement, Transit District, Dakota County CDA, and Light Rail. These miscellaneous levies vary slightly between municipalities.

Source: Dakota County Department of Property and Public Records

(continued)



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Rate	Year Collectible	Overlapping Rates, Municipalities, and Townships (continued)						Total Direct and Overlapping Rates		
		Lakeville	Rosemount	Empire Township	Vermillion Township	Dakota County	Miscellaneous Other (2)	Apple Valley Resident	Eagan Resident	Rosemount Resident
Tax Capacity Rate	2010	36.920	43.457	27.737	16.643	27.261	4.420	96.920	87.479	100.529
Market Value Rate	2010	0.007	0.007	-	-	-	-	0.256	0.239	0.229
Tax Capacity Rate	2011	38.250	44.661	27.953	17.605	29.149	4.644	103.140	94.427	105.413
Market Value Rate	2011	0.008	0.007	-	-	0.005	-	0.269	0.248	0.238
Tax Capacity Rate	2012	39.051	46.994	30.845	18.664	31.426	5.021	108.997	99.440	111.881
Market Value Rate	2012	0.008	-	-	-	0.006	-	0.269	0.244	0.227
Tax Capacity Rate	2013	41.234	48.862	31.746	19.555	33.421	5.341	115.928	104.990	115.580
Market Value Rate	2013	0.008	-	-	-	-	-	0.256	0.252	0.235
Tax Capacity Rate	2014	40.696	47.676	31.164	17.466	31.827	4.993	112.317	102.676	112.102
Market Value Rate	2014	0.007	-	-	-	-	-	0.279	0.275	0.258
Tax Capacity Rate	2015	38.948	45.152	29.823	17.214	29.633	4.567	102.745	93.996	102.623
Market Value Rate	2015	-	-	-	-	-	-	0.275	0.270	0.255
Tax Capacity Rate	2016	38.669	43.149	29.445	16.724	28.570	5.063	102.671	95.047	101.099
Market Value Rate	2016	-	-	-	-	-	-	0.290	0.285	0.270
Tax Capacity Rate	2017	37.510	41.832	29.642	16.279	28.004	4.458	100.271	93.183	97.630
Market Value Rate	2017	-	-	-	-	-	-	0.293	0.288	0.274
Tax Capacity Rate	2018	36.419	40.961	29.892	16.282	26.580	4.458	94.865	88.768	93.351
Market Value Rate	2018	-	-	-	-	-	-	0.285	0.280	0.267
Tax Capacity Rate	2019	35.607	39.355	25.386	15.723	-	-	60.216	55.840	59.968
Market Value Rate	2019	-	-	-	-	-	-	0.278	0.273	0.261

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	Levy Year Collectible December 31,					
	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Burnsville Center SPE LLC	\$ 93,523,700	1	0.6 %	\$ 100,000,000	1	0.6 %
West Publishing Company	73,594,800	2	0.5	77,960,500	2	0.5
Flint Hills Resources Pine Bend LLC	67,708,900	3	0.4	60,947,300	3	0.4
Northern States Power Co/Xcel Energy	62,907,600	4	0.4	46,959,000	5	0.3
Dakota Electric Association	54,582,500	5	0.4	48,600,200	4	0.3
Stephen & Roberta Haight	50,778,000	6	0.3	-	-	-
RRE Woods Holdings LLC	48,642,900	7	0.3	-	-	-
RRE Nicollet Ridge Holdings LLC	47,210,300	8	0.3	-	-	-
Nighthawk Properties LLC	47,000,000	9	0.3	-	-	-
Continental 313 Fund LLC	46,789,900	10	0.3	-	-	-
JPT Industries, Inc.	-	-	-	25,363,500	8	0.2
Target Corp.	-	-	-	24,133,400	9	0.1
DDRA Community Centers Five, LP	-	-	-	34,815,000	6	0.2
Principal Life Insurance Company	-	-	-	30,836,700	7	0.2
Fischer Market Place, LLP	-	-	-	18,112,800	10	0.1
Total	<u>\$ 592,738,600</u>		<u>3.8 %</u>	<u>\$ 467,728,400</u>		<u>2.8 %</u>

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Levy Year Collectible December 31,	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 77,716,489	\$ 76,858,532	98.90 %	\$ 857,957	\$ 77,716,489	100.00 %
2011	76,514,703	75,577,446	98.78	937,257	76,514,703	100.00
2012	75,939,060	75,216,046	99.05	723,014	75,939,060	100.00
2013	73,876,495	73,303,172	99.22	499,213	73,802,385	99.90
2014	78,338,055	77,887,178	99.42	429,302	78,316,480	99.97
2015	78,627,184	78,236,512	99.50	358,954	78,595,466	99.96
2016	85,688,567	85,298,846	99.55	328,497	85,627,343	99.93
2017	89,051,368	88,689,493	99.59	240,670	88,930,163	99.86
2018	90,961,693	90,579,847	99.58	206,238	90,786,085	N/A
2019 (1)	95,260,090	N/A	N/A	N/A	N/A	N/A

N/A – Not Applicable

(1) Only a portion of the calendar year 2019 taxes are collected by June 30, 2019. A total of \$43,696,195 of 2019 taxes were collected by June 30, 2019.

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	General Obligation Bonds	Refunding Bonds	Capital Notes	State Energy Loans	Capital Leases	Certificates of Participation	Total	Percentage of Personal Income (1)	Per Capita (1)
2010	\$ 123,615,000	\$ 25,150,000	\$ 225,000	\$ 5,129	\$ 8,794,032	\$ -	\$ 157,789,161	0.01 %	\$ 1,035
2011	111,655,000	22,415,000	90,000	2,564	6,542,399	2,705,000	143,409,963	0.01	946
2012	101,765,000	41,070,000	-	-	9,909,921	2,555,000	155,299,921	0.01	1,015
2013	90,175,000	49,230,000	-	-	8,726,698	2,400,000	150,531,698	0.01	1,019
2014	51,730,000	47,975,000	-	-	7,594,863	15,955,000	123,254,863	0.01	831
2015	46,180,000	35,595,000	-	-	10,519,317	14,955,000	107,249,317	0.01	717
2016	138,270,000	32,660,000	-	-	9,467,435	14,030,000	194,427,435	N/A	1,270
2017	128,940,000	29,530,000	-	-	8,477,989	13,085,000	180,032,989	N/A	1,175
2018	139,238,317	26,310,000	-	-	8,286,343	12,125,000	185,959,660	N/A	1,203
2019	126,537,591	24,776,622	-	-	7,046,515	11,140,000	169,500,728	N/A	1,076

N/A – Not Available

(1) See the Schedule of Demographic and Economic Statistics for Dakota County personal income and the District's population data.

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>General Obligation Bonds and Capital Notes</u>	<u>Less Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Market Value of Property (1)</u>	<u>Per Capita (2)</u>
2010	\$ 148,990,000	\$ 5,290,924	\$ 143,699,076	0.98 %	\$ 943
2011	134,160,000	4,697,250	129,462,750	0.95	854
2012	142,835,000	32,238,524	110,596,476	0.83	723
2013	139,405,000	44,234,187	95,170,813	0.75	644
2014	99,705,000	18,831,629	80,873,371	0.62	545
2015	81,775,000	16,385,721	65,389,279	0.46	437
2016	170,930,000	7,362,951	163,567,049	1.09	1,093
2017	158,470,000	5,338,811	153,131,189	0.98	1,001
2018	146,585,000	3,592,701	142,992,299	0.86	934
2019	134,115,000	1,699,991	132,415,009	0.73	856

(1) See the Schedule of Tax Capacity and Estimated Market Value of Property for information on the market value of the District's property.

(2) See the Schedule of Demographic and Economic Statistics for the District's population data.

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

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
DIRECT AND OVERLAPPING DEBT  
AS OF JUNE 30, 2018  
(UNAUDITED)**

Taxing Unit	Tax Collection Calendar Year 2018-2019 Taxable Net Tax Capacity	General Obligation Bonded Debt (1)	Debt Applicable to Tax Capacity in ISD No. 196	
			Percent	Amount
Direct Debt:				
ISD No. 196	\$ 181,878,933	\$ 134,115,000	100.00 %	\$ 134,115,000
Overlapping Debt:				
Dakota County	491,799,026	—	36.98	-
Cities:				
Apple Valley	55,787,798	21,805,000	75.71	16,507,759
Burnsville	70,727,744	64,369,825	20.63	13,277,185
Eagan	92,141,892	46,460,000	51.79	24,063,252
Farmington	19,855,717	14,370,000	0.03	3,910
Inver Grove Heights	38,635,111	53,910,000	19.59	10,562,148
Lakeville	75,772,521	121,826,538	11.03	13,436,890
Rosemount	27,989,373	21,540,510	70.78	15,246,384
Town of Empire	4,031,310	225,000	13.88	31,225
Other:				
Metropolitan Council	490,438,117	11,885,000	37.08	4,407,551
Total Overlapping Debt				<u>97,536,303</u>
Total Direct and Overlapping Debt Outstanding				<u>\$ 231,651,303</u>

(1) Includes that portion of debt which is secured by the authority to levy taxes on real estate.

Source: Dakota County Department of Property Tax and Public Records

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 2,195,791,815	\$ 2,054,362,429	\$ 2,006,942,428	\$ 1,907,640,566
Total Net Debt Applicable to Limit	<u>143,744,858</u>	<u>129,462,750</u>	<u>110,596,476</u>	<u>95,170,813</u>
Legal Debt Margin	<u>\$ 2,052,046,957</u>	<u>\$ 1,924,899,679</u>	<u>\$ 1,896,345,952</u>	<u>\$ 1,812,469,753</u>
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	6.55%	6.30%	5.51%	4.99%

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 15 percent of total market property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for the repayment of general obligation bonds.

Source: Dakota County Department of Property Tax and Public Records.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
LEGAL DEBT MARGIN INFORMATION (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Ended					
2014	2015	2016	2017	2018	2019
\$ 1,963,489,649	\$ 2,136,988,570	\$ 2,247,702,875	\$ 2,338,961,771	\$ 2,505,861,498	\$ 2,709,209,473
80,873,371	65,389,279	163,567,049	153,131,189	142,992,299	132,415,009
<u>\$ 1,882,616,278</u>	<u>\$ 2,071,599,291</u>	<u>\$ 2,084,135,826</u>	<u>\$ 2,185,830,581</u>	<u>\$ 2,362,869,199</u>	<u>\$ 2,576,794,464</u>
4.12%	3.06%	7.28%	6.55%	5.71%	4.89%

Legal Debt Margin Calculation for Fiscal Year 2019+

Estimated Market Value – 2019	\$ 18,061,396,485
Debt Limit (15% of Market Value)	2,709,209,473
Debt Applicable to Limit:	
General Obligation Bonds	132,415,009
Less Amount Set Aside for Repayment of General Obligation Debt	<u>(1,699,991)</u>
Total Net Debt Applicable to Limit	<u>130,715,018</u>
Legal Debt Margin	<u>\$ 2,578,494,455</u>



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Calendar Year	ISD No. 196 Population (1)	Dakota County						Unemployment Rate (2)
		Population (2)	Personal Income (Thousands) (2)	Per Capita Personal Income (2)	Median Age (2)	Education Level in Years of Formal Schooling (3)	School Enrollment (4)	
2009	152,443	390,478	\$ 17,594,416	\$ 45,059	34.6	95	27,443	7.3
2010	151,622	397,650	17,970,760	45,192	36.8	95	27,454	7.0
2011	153,051	400,480	18,612,486	46,475	36.5	95	27,404	6.1
2012	147,703	405,088	20,192,381	49,847	36.7	95	27,168	5.2
2013	148,392	408,509	20,706,256	50,687	37.4	94	27,202	4.5
2014	149,616	412,529	21,524,339	52,177	36.8	94	27,204	3.8
2015	153,051	414,686	22,272,614	53,710	37.3	95	27,790	3.3
2016	153,174	417,486	22,951,451	54,975	37.6	94	28,182	3.4
2017	154,620	421,751	24,308,945	57,638	38.0	94	28,644	2.5
2018	157,475	425,423	N/A	N/A	N/A	N/A	N/A	N/A

N/A – Not Available

Data sources:

- (1) District population is based upon an annual school district census and U.S. census. This information is certified to the state and is subsequently used in determining community education revenue.
- (2) 2017 comprehensive annual financial report for Dakota County, Minnesota
- (3) Dakota County Demographics Report.
- (4) Actual number of students enrolled in the District on October 1 of each school year, based on the District's official October 1 enrollment reports.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

Employer	2018 (1)			2009 (1)		
	Employees	Rank	Percentage of Total District Population	Employees	Rank	Percentage of Total District Population
Total District Population			157,475			150,298
Thomson West	7,000	1	4.45 %	6,000	1	3.99 %
ISD No. 196	3,816	2	2.42	5,913	2	3.93
Blue Cross-Blue Shield	3,600	3	-	3,300	3	2.20
Prime Therapeutics	2,748	5	-	700	10	0.47
Burnsville Center	3,000	4	1.91	-	-	-
United Parcel Service	-	-	-	1,435	7	0.95
CHS Incorporated	2,000	6	1.27	-	-	-
U.S. Postal Service	2,000	6	1.27	1,570	6	1.04
Dakota County	1,812	7	1.15	1,769	5	1.18
UTC Aerospace	1,600	8	1.02	-	-	-
Northwest Airlines	-	-	-	2,300	4	1.53
Lockheed Martin	-	-	-	1,600	5	1.06
Coca-Cola Bottling	-	-	-	900	8	0.60
Flint Hills Resources	-	-	-	850	9	0.57
Ecolab Research Facility	-	-	-	700	10	0.47
Sun Country Airlines	1500	9	0.95	-	-	-

(1) Calendar Year

Source: 2017 Dakota County CAFR

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
EMPLOYEES BY CLASSIFICATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administrators/Principals (1)	106	86	106	109	104	135	117	117	136	140
Supervisors/Special Staff	60	56	56	58	59	71	69	68	81	85
Teachers/Nurses	2,724	2,419	2,386	2,542	2,537	2,769	2,812	2,815	2,624	2,356
Clerical	1,003	893	875	928	950	982	1,096	1,087	930	939
Building Chiefs and Custodians	227	204	207	204	203	199	201	203	206	215
Food Service	189	185	188	189	181	194	196	202	193	199
Truck Drivers/Mechanics/Bus Drivers	273	266	258	266	255	257	245	256	253	312
Nonlicensed Specialists	42	51	44	46	52	56	56	53	62	62
Total	<u>4,624</u>	<u>4,160</u>	<u>4,120</u>	<u>4,342</u>	<u>4,341</u>	<u>4,663</u>	<u>4,792</u>	<u>4,801</u>	<u>4,485</u>	<u>4308</u>

(1) District office cabinet, principals, secondary school building assistant principals, and principals on special assignment.

Note: This schedule is a headcount based on assignment—if an employee has multiple assignments, they are reflected multiple

Source: ISD No. 196 – Human Resources Department – Query of the

Get Cognos/HRPAY report from Suzy Klein in HR.

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
OPERATING INDICATORS  
STANDARDIZED TESTING AND GRADUATION RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Standardized tests</b>										
<b>MCA Reading (1)</b>										
Grade 3	83 %	87 %	87 %	64 %	63 %	63 %	59 %	65 %	64 %	61 %
Grade 4	81	83	83	63	61	65	65	62	66	60
Grade 5	84	89	86	74	76	72	73	72	70	73
Grade 6	78	83	85	67	68	71	66	69	69	66
Grade 7	74	78	81	65	65	63	65	64	63	62
Grade 8	78	79	79	65	66	67	66	69	66	63
Grade 10	85	84	87	75	72	71	74	73	73	73
<b>MCA Math (1)</b>										
Grade 3	90	80	77	76	76	76	74	75	73	71
Grade 4	87	78	76	77	77	77	73	73	74	70
Grade 5	81	66	68	68	70	69	65	64	62	62
Grade 6	77	54	64	66	67	66	66	65	64	59
Grade 7	70	60	61	67	67	64	63	62	61	59
Grade 8	63	54	65	63	66	64	66	66	66	65
Grade 11	56	64	54	68	65	63	64	68	64	62
<b>MCA Science (1)</b>										
Grade 5	53	57	61	66	71	67	70	68	67	66
Grade 8	49	46	46	51	56	57	63	61	59	55
High school	67	65	68	68	69	69	73	74	70	74
<b>MAP (Measures of Academic Progress) (2)</b>										
<b>Reading</b>										
Grade 2–5	67.1	69.5	63.1	64.3	72.3	72.8	N/A	N/A	N/A	N/A
Grade 6–7	58.3	60.7	61.3	62.5	61.0	63.2	56.6	55.3	56.4	54.5
<b>Math</b>										
Grade 2–5	71.5	75.7	72.9	66.3	65.0	71.9	55.0	54.6	51.2	48.3
Grade 6–7	61.4	60.3	67.8	55.5	60.3	63.2	58.4	60.4	60.8	58.8
<b>ACT</b>										
Average composite score	24.0	24.0	24.1	24.0	24.1	24.4	23.0	23.1	23.1	23
<b>National Merit Scholars</b>										
Commended	39	29	36	36	29	41	32	47.0	47.0	26.0
Finalists and semifinalists	19	12	16	16	15	15	15	15.0	7.0	16.0

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
OPERATING INDICATORS  
STANDARDIZED TESTING AND GRADUATION RATES (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Attendance percentages</b>										
Kindergarten	95.20	95.20	96.20	95.80	96.40	95.70	95.80	95.90	96.00	95.70
1st grade	96.00	96.06	96.20	96.00	96.10	95.70	95.80	95.90	96.00	96.00
2nd grade	96.00	96.27	96.60	96.20	96.30	95.80	96.10	95.80	96.20	96.00
3rd grade	96.20	96.34	96.60	96.40	96.50	96.00	96.00	96.10	96.10	96.10
4th grade	96.20	96.32	96.40	96.30	96.40	96.00	96.00	95.70	96.10	95.90
5th grade	96.00	96.25	96.50	96.20	96.30	95.90	95.90	95.80	95.80	96.00
6th grade	95.80	95.80	96.10	95.80	95.50	95.90	95.70	95.40	95.20	95.50
7th grade	95.70	95.66	95.80	95.40	95.60	95.40	95.40	95.30	94.90	95.50
8th grade	95.30	95.25	95.80	95.00	95.40	95.30	95.20	95.00	94.80	95.40
9th grade	95.70	96.38	96.20	96.10	96.10	99.00	95.70	95.20	95.20	96.30
10th grade	95.40	95.58	95.50	95.30	95.50	98.70	95.00	94.20	93.80	95.30
11th grade	94.70	94.87	94.20	94.90	94.60	98.40	93.20	93.10	92.30	95.10
12th grade	91.70	93.80	91.50	91.70	92.10	95.60	90.20	89.40	89.40	92.00
All grades	95.40 %	95.68 %	95.68 %	95.47 %	95.10 %	95.80 %	94.60 %	94.40 %	94.30 %	95.00 %
<b>Graduation data (3)</b>										
District graduation rates	86 %	88 %	91 %	92 %	92 %	90 %	92 %	90 %	91 %	N/A
State graduation rate	76 %	77 %	78 %	80 %	81 %	82 %	82 %	83 %	83 %	N/A

N/A – Not Available

- (1) Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessments (MCA).
- (2) Percent of students who met or exceeded their mean growth projection.
- (3) To comply with U.S. Department of Education reporting requirements, calculations for high school graduation rates have changed. The state graduation rates shown for fiscal 2008 and thereafter, and the District rates shown for fiscal year 2012, are percentages of students graduating from high school within four years after they enrolled in Grade 9. Students who took an additional year to meet graduation requirements are not included in this calculation.

Source: State graduation rates obtained from the Minnesota Department of Education  
Standardized testing results for the District are from the "Annual Report on Curriculum, Instruction, and Student Achievement," prepared by the District's Teaching and Learning Department.

**INDEPENDENT SCHOOL DISTRICT NO. 196**  
**ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS**  
**CAPITAL ASSET STATISTICS BY PROGRAM AND CLASSIFICATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program:										
Administration	\$ 203,816	\$ 201,217	\$ 198,717	\$ 190,127	\$ 190,908	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608	\$ 249,608
District Support Services	990,747	932,471	862,520	1,010,232	1,052,752	1,081,139	1,209,990	1,313,895	1,417,800	1,497,800
Elementary and Secondary										
Regular Instruction	8,949,532	9,017,233	9,005,469	9,019,255	9,156,130	9,310,499	9,498,719	10,298,063	10,356,373	10,413,270
Vocational Education	157,451	143,323	140,590	166,854	166,854	166,854	153,059	156,601	164,106	164,106
Special Education	286,452	292,624	319,752	324,676	345,565	358,609	387,351	392,500	392,500	392,500
Community Education	52,310	56,877	48,020	42,437	42,437	36,225	36,225	36,225	36,225	36,225
Instructional Support	196,515	196,710	181,009	175,634	158,389	154,527	159,917	159,917	159,917	159,917
Transportation	13,537,639	13,768,324	13,199,928	14,019,124	14,931,523	15,355,534	15,966,253	16,873,062	18,213,195	18,517,122
Food Service	2,009,242	2,045,907	2,110,819	2,164,109	2,296,422	2,392,865	2,486,240	2,662,531	2,746,826	2,982,509
Sites and Buildings	2,496,147	2,606,356	3,596,095	3,711,558	4,766,294	5,049,084	6,418,617	6,666,365	6,993,094	10,600,927
Sites and Buildings – Unallocated	367,140,887	369,999,764	380,961,031	385,485,390	395,222,661	410,215,923	412,984,267	442,192,955	486,431,295	509,995,795
Total Program	<u>\$ 396,020,738</u>	<u>\$ 399,260,806</u>	<u>\$ 410,623,949</u>	<u>\$ 416,309,396</u>	<u>\$ 428,329,935</u>	<u>\$ 444,370,867</u>	<u>\$ 449,550,246</u>	<u>\$ 481,001,722</u>	<u>\$ 527,160,939</u>	<u>555,009,779</u>
Classification:										
Land	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 8,870,712	\$ 11,966,353
Land Improvements	10,421,635	10,826,510	11,327,871	11,616,641	12,841,906	12,948,913	12,976,413	12,976,413	12,976,413	14,812,196
Building	318,610,626	320,226,324	329,828,810	332,834,757	334,572,452	336,821,378	357,940,976	362,591,261	374,845,921	376,147,361
Equipment	22,391,107	24,655,160	27,191,998	28,391,134	29,075,405	30,760,757	32,852,222	36,720,661	37,117,841	38,409,410
Eligible Pupil Transportation Vehicle	13,995,557	14,223,093	13,541,853	14,358,205	15,409,291	15,330,093	14,480,477	15,334,693	17,925,049	18,517,122
Food Service Equipment	2,372,098	2,436,108	2,552,543	2,605,833	2,712,415	2,357,122	2,450,498	2,626,789	2,711,084	2,982,509
Property and Equipment under										
Capital Leases	19,359,003	18,022,899	17,310,162	17,207,107	17,227,800	17,227,800	17,336,653	14,315,371	15,358,580	13,745,317
Total Classification	<u>396,020,738</u>	<u>399,260,806</u>	<u>410,623,949</u>	<u>415,884,389</u>	<u>420,709,981</u>	<u>424,316,775</u>	<u>446,907,951</u>	<u>453,435,900</u>	<u>469,805,600</u>	<u>476,580,268</u>
Construction in Progress	<u>1,059,415</u>	<u>3,748,287</u>	<u>271,931</u>	<u>425,007</u>	<u>7,619,954</u>	<u>20,054,092</u>	<u>2,642,295</u>	<u>27,565,822</u>	<u>57,355,339</u>	<u>78,429,511</u>
Total Classification and										
Construction in Progress	<u>\$ 397,080,153</u>	<u>\$ 403,009,093</u>	<u>\$ 410,895,880</u>	<u>\$ 416,309,396</u>	<u>\$ 428,329,935</u>	<u>\$ 444,370,867</u>	<u>\$ 449,550,246</u>	<u>\$ 481,001,722</u>	<u>\$ 527,160,939</u>	<u>\$ 555,009,779</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
EXPENDITURES PER STUDENT (AVERAGE DAILY MEMBERSHIP)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administration	\$ 402	\$ 392	\$ 402	\$ 436	\$ 470	\$ 485	\$ 539	\$ 537	\$ 553	\$ 572
District Support Services	306	295	310	310	306	324	340	353	379	420
Elementary and Secondary Regular Instruction	5,466	5,396	5,417	5,482	5,626	5,897	6,001	6,110	6,177	6,209
Vocational Education Instruction	132	136	141	144	145	153	189	180	182	189
Special Education Instruction	2,005	2,046	2,063	2,154	2,257	2,279	2,370	2,447	2,516	2,543
Instructional Support Services	520	490	497	602	622	675	716	743	767	787
Pupil Support Services	793	805	741	847	866	845	861	886	905	917
Sites and Buildings	806	806	964	835	851	789	799	913	839	889
Fiscal and Other Fixed Cost Programs	17	18	20	22	26	24	24	22	21	41
Food Service	391	401	411	400	418	423	427	431	400	424
Community Service	330	335	341	365	363	284	292	317	310	313
Capital Outlay	338	361	318	231	497	699	423	1,207	263	1,402
Debt Service	846	831	838	830	793	826	643	802	767	759
Total Expenditures	<u>\$ 12,352</u>	<u>\$ 12,313</u>	<u>\$ 12,465</u>	<u>\$ 12,658</u>	<u>\$ 13,242</u>	<u>\$ 13,704</u>	<u>\$ 13,623</u>	<u>\$ 14,950</u>	<u>\$ 14,078</u>	<u>\$ 15,467</u>
Average Daily Membership	<u>27,228</u>	<u>27,099</u>	<u>27,053</u>	<u>26,793</u>	<u>26,918</u>	<u>27,206</u>	<u>27,526</u>	<u>27,797</u>	<u>28,178</u>	<u>28,563</u>

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
FOOD SERVICE SCHOOL LUNCH PROGRAM DATA  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Ended June 30,	Average Daily Attendance (1)	Total Lunches Served	Days	Average Daily Participation	Participation as a Percentage of Average Daily Attendance	Free Lunch		Reduced Lunch	
						Number Served	Percent of Total	Number Served	Percent of Total
2010	23,903	2,646,001	173	15,295	64.0	517,890	19.6	177,497	6.7
2011	23,857	2,668,882	175	15,251	63.9	563,511	21.1	186,803	7.0
2012	23,868	2,633,781	174	15,137	63.4	625,915	23.8	168,576	6.4
2013	23,602	2,398,031	170	14,106	59.8	606,438	25.3	170,748	7.1
2014	24,571	2,385,935	165	14,460	58.9	643,503	27.0	165,163	6.9
2015	24,853	2,528,744	169	14,963	60.2	676,947	26.8	195,960	7.7
2016	25,198	2,561,285	169	15,156	60.1	694,018	27.1	207,102	8.1
2017	26,416	2,585,768	169	15,300	57.9	667,303	25.8	227,423	8.8
2018	25,296	2,598,724	165	15,750	62.3	671,874	25.9	227,855	8.8
2019	25,988	2,603,191	165	15,777	60.7	622,877	23.9	238,377	9.2

(1) Attendance is deemed to be 95 percent of enrollment.

Source: ISD No. 196 Summary: Food Service Statistics Reports



**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
SCHOOL FACILITIES  
AS OF JUNE 30, 2019  
(UNAUDITED)**

Facility	Use	Constructed	Acres	Classrooms (1)	Square Footage	Capacity	Enrollment (2)
Elementary Schools:							
Cedar Park	School	1977	16.64	29	69,678	595	690
Deerwood	School	1987	(3a)	35	77,060	595	658
Diamond Path	School	1970	40.00	39	76,880	725	734
East Lake	School	2017	22.40	38	84,600	750	655
Echo Park	School	1979	16.29	45	83,824	790	753
Glacier Hills	School	1993	15.01	39	80,017	680	767
Greenleaf	School	1975	30.40	50	84,530	835	881
Highland	School	1986	(3b)	43	85,497	725	730
Northview	School	1960	39.50	37	67,743	705	457
Oak Ridge	School	1991	9.95	45	80,000	680	557
Parkview	School	1970	13.00	39	89,230	680	814
Pinewood	School	1990	17.31	44	85,328	815	602
Red Pine	School	1995	13.09	47	88,784	815	739
Rosemount	School	1960	(3c)	38	73,251	660	725
Shannon Park	School	1990	13.50	47	83,936	770	662
Southview	School	1967	(3d)	46	72,391	790	670
Thomas Lake	School	1979	15.00	34	66,312	595	532
Westview	School	1964	18.00	41	68,028	725	435
Woodland	School	1988	18.43	37	80,043	680	634
Middle Schools:							
Black Hawk	School	1994	38.81	71	198,534	1,200	879
Dakota Hills	School	1989	(3e)	64	223,560	1,300	1,219
Falcon Ridge	School	1996	32.46	73	197,014	1,200	1,085
Rosemount	School	1918	(3c)	61	172,796	1,055	1,310
Scott Highlands	School	1979	40.00	60	163,535	1,030	1,138
Valley	School	1972	32.74	60	186,598	1,165	1,098
High Schools:							
Apple Valley	School	1976	80.00	83	360,104	1,990	1,555
Eagan	School	1990	94.00	87	382,970	2,040	1,963
Eastview	School	1997	54.00	97	338,242	2,015	2,142
Rosemount	School	1963	120.13	91	398,998	2,015	2,349
School of Environmental Studies	School	1995	12.25	53	71,171	400	331
Area Learning Center and Transition Plus							
Dakota Ridge	School	2006	N/A	18	27,659	310	236
Cedar Valley Learning Center	School	1997	(3f)	26	50,338	160	103
Dakota Valley Learning Center	School	1993	1.59	6	13,730	309	-
	Special/Early Child/ Adult Education	2014	(3f)	22	54,000	529	256
District Office							
District Service Center	Office	2006	2.10	N/A	25,600	368	-
Facilities	Office	1972	40.00	N/A	23,937	N/A	-
District Office East	Office/Maintenance/Warehouse	1972	(3f)	N/A	28,964	N/A	-
	Office	1984	9.50	N/A	18,677	N/A	-

N/A – Not Available

- (1) All rooms dedicated for instructional purposes, including regular classrooms, portable classrooms, computer labs, art rooms, band/choir/music rooms, special services rooms, science rooms, F.A.C.S. rooms, and industrial technology rooms.
- (2) Enrollment is defined as the adjusted ADMs served excluding resident students tuitioned out to other Minnesota school districts. Students served by the school of environmental studies are included in the students' home high school.
- (3) Joint sites  
 (a) with Black Hawk Middle School (d) with Valley Middle School  
 (b) with Scott Highlands Middle School (e) with Eagan High School  
 (c) with Rosemount High School (f) with District Service Center/Facilities/Dakota Ridge/Dakota Valley Learning Center

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
BUILDING PERMITS ISSUED BY MAJOR CITIES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Calendar Year	Total Permits		New Residential Permits (1)	
	Number	Value	Number	Value
City of Rosemount				
2009	968	\$ 34,398,343	38	\$ 9,325,000
2010	924	33,716,925	38	7,552,704
2011	2,359	28,753,846	16	4,834,000
2012	2,251	38,804,214	59	16,832,849
2013	2,471	42,084,362	93	26,136,626
2014	2,879	75,168,593	180	45,310,000
2015	2,677	63,330,428	173	39,739,000
2016	3,033	82,205,630	136	38,723,900
2017	3,136	74,717,882	135	37,709,343
2018	3,503	87,287,106	256	57,601,704
City of Apple Valley				
2009	2,688	44,857,000	31	7,991,000
2010	2,995	59,290,047	61	35,346,000
2011	4,248	21,248,500	31	7,929,000
2012	4,438	41,228,000	47	12,284,000
2013	4,426	49,921,500	63	19,317,000
2014	5,430	90,423,600	71	22,147,000
2015	5,755	90,870,178	120	34,525,000
2016	6,573	92,352,609	140	42,385,000
2017	6,932	202,481,522	177	42,973,000
2018	5,698	141,378,881	125	33,552,000
City of Eagan				
2009	2,400	55,050,142	13	3,920,000
2010	2,616	56,977,150	32	9,481,442
2011	2,259	59,743,157	73	20,912,987
2012	2,699	109,835,569	154	37,114,705
2013	7,455	218,669,781	188	70,828,088
2014	5,044	158,991,311	177	57,043,757
2015	2,470	101,187,211	49	17,047,341
2016	2,426	152,547,456	84	29,123,360
2017	3,145	428,078,165	72	26,208,327
2018	2,641	139,726,902	40	14,790,119

(1) Includes single family homes, duplexes, quad homes, townhomes, multi-unit, and condominiums.

Note: The District includes portions of nine municipalities. The above table includes the three main municipalities within the District and is representative of growth in the area. These cities maintain building permit information on a calendar year.

Source: City of Rosemount, City of Apple Valley, and City of Eagan

**INDEPENDENT SCHOOL DISTRICT NO. 196  
ROSEMOUNT-APPLE VALLEY-EAGAN PUBLIC SCHOOLS  
STUDENTS – AVERAGE DAILY MEMBERSHIP  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year Ended June 30,	ADM (for Students Served or Tuition Paid)						Total Pupil Units	
	Early Childhood and Kindergarten – Handicapped	Kindergarten	Elementary	Secondary	Total		Number	Percent Increase (Decrease)
					Number	Percent Increase (Decrease)		
2010	367.87	1,627.40	11,927.94	13,304.89	27,228.10	(0.4) %	31,686.88	(0.3) %
2011	362.72	1,658.41	11,839.43	13,238.22	27,098.78	(0.5)	31,510.72	(0.6)
2012	401.43	1,690.94	11,948.37	13,012.52	27,053.26	(0.2)	31,406.83	(0.3)
2013	402.20	1,683.94	11,926.58	12,780.09	26,792.81	(1.0)	31,079.22	(1.0)
2014	405.36	1,596.02	12,116.23	12,800.68	26,918.29	0.5	31,261.97	0.6
2015	501.42	1,749.62	12,235.89	12,718.96	27,205.89	1.1	29,748.93	(4.8)
2016	500.75	1,721.13	12,421.88	12,869.63	27,513.39	1.1	30,087.31	1.1
2017	536.81	1,745.10	12,728.02	12,901.49	27,911.42	1.4	30,347.56	0.9
2018	570.62	1,826.07	12,831.89	12,949.34	28,177.92	1.0	30,766.98	1.4
2019	576.95	1,827.47	12,865.40	13,293.57	28,563.39	1.4	31,045.11	0.9

Note 1: Enrollment numbers are estimated for the most recent fiscal year.

Note 2: ADM is weighted as follows in computing pupil units:

	Early Childhood and Kindergarten – Handicapped	Kindergarten		Elementary		Secondary
		Part-Time	All-Day	1–3	4–6	
Fiscal 2009 through 2014	Various	0.612	0.061	1.115	1.060	1.300
Fiscal 2015 through 2018	Various	0.550	1.000	1.000	1.000	1.200

Source: Minnesota Department of Education