



Comprehensive Annual Financial Report

For the Fiscal Year
Ended June 30, 2019



Prepared by the District 191 Business Office
200 W. Burnsville Parkway
Burnsville, MN 55337
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FISCAL YEAR 2019

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT OF
BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
BURNSVILLE, MINNESOTA
YEAR ENDED JUNE 30, 2019**

**PREPARED BY THE
BUSINESS OFFICE**

**LISA K. RIDER
EXECUTIVE DIRECTOR OF BUSINESS SERVICES**

**ROBIN M. PIKAL
DIRECTOR OF ACCOUNTING SERVICES**

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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INTRODUCTORY SECTION

To: Citizens of Burnsville Eagan Savage Schools
Board of Education
Staff of Burnsville Eagan Savage Schools

Date: December 2, 2019

INTRODUCTION

The comprehensive annual financial report (CAFR) of Independent School District No. 191, Burnsville, Minnesota (the District) for the fiscal year ended June 30, 2019 is hereby presented for your information and review. The CAFR is intended to fully disclose the financial position of the District and the results of operations for the fiscal year. Every effort has been made to ensure the reliability and integrity of the data contained herein. Although that data was received from many sources, the accuracy and thoroughness of this report rests solely with the District. This report belongs to the citizens of the Burnsville – Eagan – Savage community, for it describes, in financial terms, the position and operating results of the District. Questions and comments are solicited and welcome.

REPORT FORMAT

This CAFR is presented in three main sections: introductory, financial, and statistical. In addition to information contained in this letter, the introductory section includes the District's organizational chart, a list of the District's principal officials, and the Association of School Business Officials Certificate of Excellence in Financial Reporting Award. The financial section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, notes to basic financial statements, and detailed combining and individual statements and schedules. The statistical section includes selected financial and general information presented on a multi-year comparative basis. Where possible, historical data is presented for a 10-year period.

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

DISTRICT ORGANIZATION

The District was incorporated in 1955 and serves parts of five suburban communities in the Minneapolis/St. Paul area. The District is guided by its mission:

Each Student. Future Ready. Community Strong.

The District enrolled 8,673 students from a population of over 67,370 citizens residing in a 37 square mile area. During fiscal year 2018-19, the District operated 17 buildings: 1 high school, 1 alternative high school, 3 middle school schools, 10 elementary schools, 1 special services building, and 1 districtwide building. The District is organized by grade level with elementary schools serving students in pre-kindergarten through Grade 5, middle schools serving Grades 6-8, and the high schools serving Grades 9-12.

REPORTING ENTITY

The District's financial statements include all funds, departments, agencies, boards, commissions, and other component units for which the District is considered to be 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.

FINANCIAL STATEMENTS

The financial statements contained in this report disclose the financial position of the District as of June 30, 2019 and the financial operations for the fiscal year then ended. The District's financial records and reports are maintained and prepared on a modified or full accrual basis of accounting in accordance with the Uniform Financial Accounting and Reporting System for Minnesota School Districts as well as the standards of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. These records are audited annually by an independent certified public accountant as required by Minnesota law. The accounting firm of CliftonLarsonAllen LLP performed the audit for the 2018-19 fiscal year. Their report is included in the financial section of this report. The auditor has given an unmodified opinion on the District's financial statements. An unmodified opinion means that, in the judgment of the auditor, the financial statements present fairly, in all material respects, the financial position of the District and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

FEDERAL SINGLE AUDIT AND STATE COMPLIANCE AUDIT

The independent audit of the financial statements of the District is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The District is also required to undergo an annual Minnesota State Legal Compliance Audit under Minnesota Statute §6.65. These reports are available in a separate document.

ACCOUNTING AND BUDGETING

A major function of the District's accounting system is to provide adequate internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and that the evaluation of the cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Budgetary control is maintained through an annual budget adopted by the School Board for all funds as required by state statutes and School Board policy. The adopted budget serves as the authorizing document for all expenditures, although the School Board approves all checks issued on a monthly basis. The superintendent and business manager are authorized to make financial commitments within budgetary guidelines for contracts not requiring sealed bids. Additional expenditure controls are maintained by the Business Office in accordance with state statutes, i.e., the District cannot incur a negative unassigned balance in the General Fund in excess of 2.5% of the preceding year's expenditures. The budget is published annually to inform residents of the District's financial position and operating plan for the fiscal year. The School Board receives Board reports on monthly revenue and expense reports. Program managers may receive weekly budget reports via email which indicate the approved budget on a line item basis; the month-to-date and year-to-date revenues, expenditures, and encumbrances assigned to those line items; the budget remaining; and the percent earned or expended to date. Monthly monitoring of revenues and expenditures by the School Board as well as ongoing monitoring by program managers helps to ensure budget integrity and provides an opportunity to detect material budget variances before the end of the fiscal year.

The budget is adopted by the School Board in the spring of each year for the following fiscal year beginning July 1. In the winter, the budget is revised based upon enrollment changes, effects of negotiated employee contracts, or other new information impacting revenues or expenditures. The revised budget is presented to the School Board for approval. To accurately track and report financial activities with a focus on site-based accounting, approximately 14,000 accounts have been defined in the District's chart of accounts.

SIGNIFICANT EVENTS

The District's finances are largely dependent on student enrollment. Since 2002-2003 the District has experienced a decline in the number of students enrolled in the District's schools. This is a natural occurrence in a fully developed community and is often the result of smaller kindergarten cohorts replacing a larger graduating class. For fiscal year 2018-19, grades K-12 has a range in class size from a low of 571 to a high of 749 students. There was a decline of 167 in enrollment for fiscal year 2018-19. Indicators show our resident population leveling and our served population is projected to continue to decline slowly before leveling.

Declining enrollment and the lack of a funding increase from the state have placed the District in the position of a need to reduce expenditures to balance the budget in recent years. Most of the District's operating revenue is directly related to the number of students enrolled in its schools. While revenues decline in direct proportion to the change in enrollment, expenditures decline at a much slower rate because the enrollment change is spread over all 17 schools and 13 grades. As student numbers decline, the number of teachers providing direct services to students can be reduced accordingly and some cost reduction occurs. Other costs, such as facility operations, are not proportionally related to enrollment and cannot be adjusted as readily. As needed, the district has taken strong expenditure curtailment measures during the years ended 2006, 2007, 2008, 2012, 2019, and 2020 in an effort to ensure a favorable financial result. These ongoing efforts to curtail expenditures have allowed the District to sustain the fund balance in its General Fund. Since expenditures do not proportionately decline with enrollment, expenditure budget containment efforts are made on an annual basis to control the amount of planned spend down of the unassigned fund balance in favor of maintaining needed educational supports for our students.

FINANCIAL PROSPECTS FOR FUTURE YEARS

The District has a long history of maintaining positive fund balances and matching revenues with expenditures. Residents of the District have repeatedly supported the District's efforts to increase revenues through levy referenda. The District has had two separately authorized levy referenda. The first, in the amount of \$1,172.49 per adjusted pupil unit under new law was approved in November 2017 and was set to expire after 2027-2028. The second, in the amount of \$591.56 per adjusted pupil unit under new law exclusive of Local Optional Allowance equal to \$424), was approved November 2011 and was set to expire after 2022-2023. On November 5, 2019 the residents of I.S.D. 191 once again showed their support in approving a revocation of both current referenda and replacing with the amount of the lesser of \$1,900 per pupil or the maximum authorization allowed by statute. The support shown by residents this fall is greatly appreciated and will assist in matching revenues with expenditures.

The State Legislature has increased the general education formula some this past biennium which is appreciated; Unfortunately, the declining enrollment, near flat funding, and inflationary expenditure increases have created budget gaps and are at risk of continuing going forward. The District has taken significant measures to conserve budget. The results of the 2018-2019 fiscal year reflects a planned spend down of fund balance. It must be noted fund balance is available for use only once so the ability to maintain stability will be dependent on the district's ability to keep expenditures within revenues each year beyond the use of the fund balance that may be available.

Continued financial uncertainty is likely to be the major challenge of the next decade. While enrollment, staffing, and expenses can be projected, it is impossible to predict with any certainty the configuration or adequacy of funding formulas to be enacted in the future by the Legislature. Nonetheless, the District is committed to maintaining programs and services and to operating within its financial limitations. As the District approaches the 2019-2020 revised budget and the 2020-2021 adopted budget, enrollment projection adjustments and curriculum-based decisions will be at the forefront of the discussion. Closing the achievement gap and increasing student achievement for all students served remains the District's priority. The Board of Education is reviewing a current recommendation to close possibly two elementary schools and one middle school beginning the fall of 2020. These possible closures are being considered due to the current enrollment of the district and to make the most efficient and effective use of the buildings available. The District will continue to contain expenditures whenever possible and make budget adjustments to keep the planned spend down of expenditures at a level that allows for long-term financial sustainability.

ECONOMIC FACTORS

The District is located in Dakota and Scott Counties, both of which are located in the seven-county metro area of Minneapolis/St. Paul. The cities that comprise the District are suburban communities. Residents are typically employed in professional vocations within the metropolitan area. The economic downturn of the past years has had some effect on the community as evidenced by greater mobility and increased participation in the free and reduced price lunch program. Fall of 2018 data suggests a decrease in the free and reduced status of our students served.

The taxable market value of property within the District is generally expected to improve. While the District is essentially fully developed residentially, commercial development and redevelopment is clearly evident throughout the community. Overall market improvement is evident in the increased 2017 total market value for a fourth year in a row.

The state of Minnesota assumes major responsibility for funding public education. In the District, approximately 20% of our revenues are generated locally from the property tax and 50% of the property tax is the result of voter approved, local initiatives. This includes the referendum that was approved in November 2019.

Reliance on the state for the majority of its operating revenues places the District in the position of being dependent on state-wide economic conditions that drive state tax collections. The State Legislature has provided some increases to the basic formula and categorical funding for the 2019-2021 biennium. Even with the 2% increase on the formulas for 2019-2021; this increase does not keep pace with inflation. The District has responded to this financial challenge by requesting and receiving community support of referendum renewal, curtailing expenditures when possible, revamping the budget process and by judiciously drawing on fund reserves to maintain programs and services.

MAJOR INITIATIVES

The average age of the District's attendance centers is 40.13 years. On February 24, 2015 the district voters' approved a \$65 million building bond to ensure space availability across all of our schools. A grade re-configuration was implemented at the beginning of the 2016-2017 school year. I.S.D. 191 now serves students 9-12 grade in our high school(s); 6-8 grade in our middle schools; and PK-5 grade in our elementary schools. A capital project levy for technology added \$2.5 million annually effective 2016-2017 for 10 years. During the 2016-2017 year, these additional funds were used to implement a 1:1 device ratio throughout our grades 9-12.

At the elementary level, Digital Learning Specialists were implemented across our elementary schools to ensure our students were prepared for the use of technology devices as they reach the secondary level. During the 2017-2018 school year, grades 6-8 implemented a 1:1 device ratio, and grades PK-5 will see implementation of additional technology devices during the 2018-2019 school year.

Fiscal Year ended June 30, 2019 included a conversion from our previous TIES software to the Skyward Qmlativ software effective January 1, 2019. Therefore the financial statements were audited across two financial systems, TIES through December 31, 2018 and Skyward through June 30, 2019.

A current review of physical spaces and their uses is in process with options being reviewed by the school board for more efficient and effective use of physical space and possible review of facilities that may be leased or sold in the future.

CERTIFICATE OF EXCELLENCE

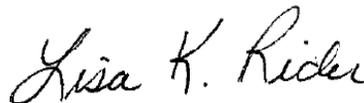
This report will be submitted to the Association of School Business Officials International for consideration for the Certificate of Excellence in Financial Reporting. The District received this award for the past 31 fiscal years and expects to continue to earn the recognition that accompanies the standards of accuracy and thoroughness acknowledged by the Certificate of Excellence program.

ACKNOWLEDGMENTS

The time, effort, and attention that go into the timely preparation of a CAFR require the commitment and cooperation of many people. Special appreciation must be extended to the entire Business Office staff for their dedication and to the School Board for their encouragement and leadership.



Cindy Amoroso
Superintendent



Lisa K. Rider
Executive Director of Business Services

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 191
 SCHOOL BOARD AND ADMINISTRATION
 JUNE 30, 2019**

SCHOOL BOARD

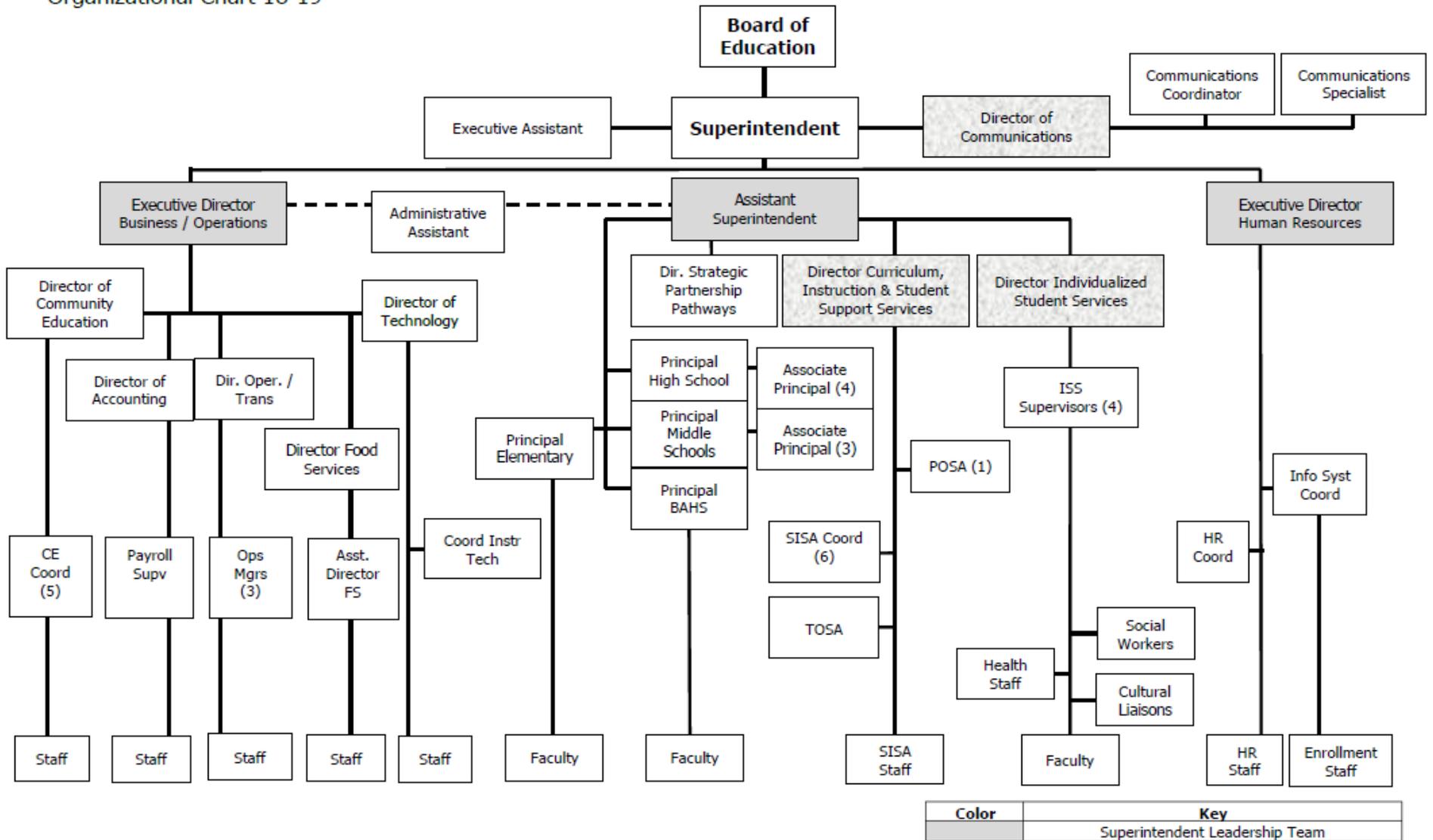
NAME	TERM ON BOARD EXPIRES	BOARD POSITION
Abigail Alt	December 2022	Chairperson
Eric Miller	December 2020	Vice Chairperson
DeeDee Currier	December 2020	Treasurer
Darcy Schatz	December 2020	Clerk
Jen Holweger	December 2022	Director
Scott Hume	December 2022	Director
Lesley Chester	December 2022	Director

ADMINISTRATION

Cindy Amoroso	Superintendent
Brian Gersich	Interim Assistant Superintendent
Lisa K. Rider	Executive Director of Business Services
Stacey Sovine	Executive Director of Human Resources
Robin M. Pikal	Director of Accounting Services

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
ORGANIZATIONAL CHART
JUNE 30, 2019**

Organizational Chart 18-19



BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING
JUNE 30, 2019



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

Independent School District 191

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

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, appearing to read 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Education
Independent School District No. 191
Burnsville, 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. 191, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 191 as of June 30, 2019, and the respective changes in financial position, the respective budgetary comparisons for the General, Food Service, and Community Service funds and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Prior Year Information

We have previously audited Independent School District No. 191's 2018 financial statements of the governmental activities, each major fund and the aggregate remaining fund information, and we expressed an unmodified opinion on those audited financial statements in our report dated November 6, 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 and related ratios, schedules of the District's proportionate share of net pension liability, and schedules of the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Independent School District No. 191's basic financial statements. The combining and individual fund financial statements, uniform financial accounting and reporting standards compliance table, introductory, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the Uniform Financial Accounting and Reporting Standards (UFARS) compliance table are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters (Continued)

Supplementary Information (Continued)

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2018, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The individual fund financial statements for the year ended June 30, 2018, are presented for purposes of additional analysis and are 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2018 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

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 2, 2019, on our consideration of the Independent School District No. 191's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Independent School District No. 191'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. 191's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
December 2, 2019

REQUIRED SUPPLEMENTARY INFORMATION

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

This section of Independent School District No. 191's comprehensive annual financial report presents its 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 issued in June 1999.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018-19 fiscal year include the following:

- Government-wide net position, increased by \$26,888,085 or (25.66%) better than June 30, 2018, resulting in total net position of (\$77,909,513). The increase in net position was primarily due to the net effect of the large changes in District's proportionate share of the net pension liability, deferred inflows of resources, and deferred outflows of resources of the TRA and PERA (GERF) pension plans.
- Government-wide revenues totaled \$152,046,843 and expenses were \$125,158,758.
- The total fund balance of the General Fund, as presented in the governmental funds, decreased by \$530,805 from the prior year.
- The unassigned fund balance in the General Fund decreased by \$2,554,783 from \$10,024,458 to \$7,417,075.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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, 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 government-wide statements.
- **Governmental funds statements** tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- **Proprietary funds statements** offer short- and long-term financial information about the activities the District operates like businesses.
- **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 and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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 plus deferred outflows of resources and liabilities plus 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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 following the governmental funds statements to explain the relationship (or differences) between them.
- *Proprietary Funds* – The District uses internal service funds to report activities that provide supplies and services for the District's other programs and activities. The District currently has four internal service funds for self-insured health and dental benefits and its severance and postemployment benefits liabilities.
- *Fiduciary Funds* – The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship funds and the flexible benefit plan. The District is responsible for ensuring that the assets are 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 district-wide financial statements because the District cannot use these assets to finance its operations.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was (\$77,909,513) on June 30, 2019. This was an increase of 25.66% from the prior year (see Table A-1).

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

	Governmental Activities as of June 30,		Percentage Change
	2019	2018	
Current and Other Assets	\$ 106,065,759	\$ 107,618,090	(1.44)%
Capital Assets	147,116,967	155,950,508	(5.66)
Total Assets	<u>253,182,726</u>	<u>263,568,598</u>	(3.94)
Deferred Outflows of Resources	95,644,305	128,472,221	(25.55)
Current Liabilities	20,366,793	22,069,796	(7.72)
Net Pension Liability	82,375,091	231,312,866	(64.39)
Other Postemployment Benefits Liability	9,939,879	9,709,574	2.37
Other Long-Term Liabilities	146,827,201	154,092,445	(4.71)
Total Liabilities	<u>259,508,964</u>	<u>417,184,681</u>	(37.80)
Deferred Inflows of Resources	<u>167,227,580</u>	<u>79,653,736</u>	109.94
Net Position:			
Net Investment in Capital Assets	17,556,925	21,465,486	(18.21)
Restricted	7,213,277	5,821,544	23.91
Unrestricted	(102,679,715)	(132,084,628)	(22.26)
Total Net Position	<u>\$ (77,909,513)</u>	<u>\$ (104,797,598)</u>	(25.66)

The District's financial position is the product of many factors. For example, the determination of the District's net investments in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, will produce a significant difference in calculated amounts.

The District's overall financial position increased from fiscal year 2018, as total net position increased \$26,888,085. The District is able to report positive balances in two of three categories of net position. The largest positive portion of the District's net position represents its investment in capital assets (land, buildings, equipment, etc.) less any related debt used to acquire those assets that is still outstanding. This element of net position decreased by \$3,908,561 in the current fiscal year, as depreciation of the capital assets exceeded the completion of some construction projects and payments on related debt.

Another portion of the District's net position, restricted net position represents resources that are subject to external restrictions on how they may be used. This portion of the District's net position increased by \$1,391,733 in the current year. The remaining unrestricted net position is that which may be used to meet the District's ongoing obligations. This portion of net position increased \$29,404,913 in the current fiscal year.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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**

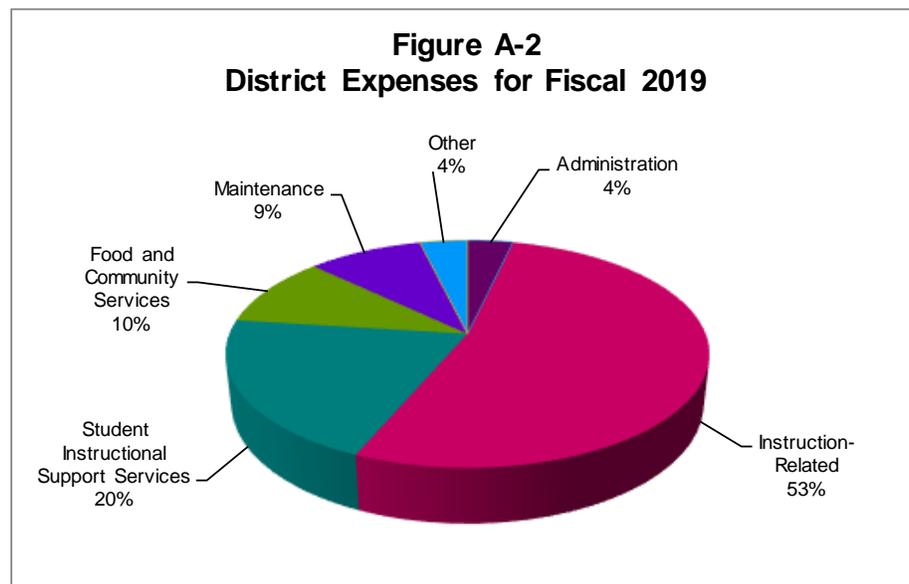
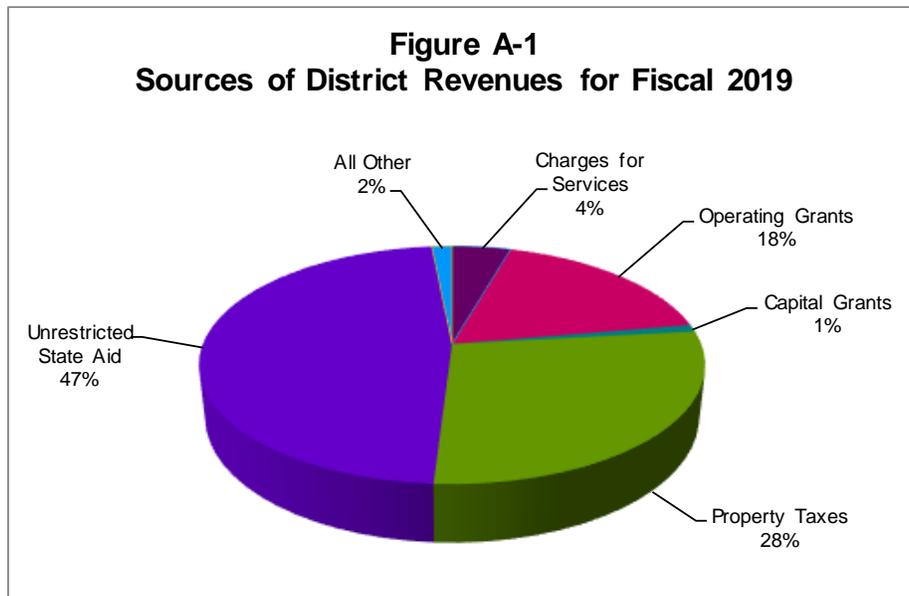
	Governmental Activities for the Fiscal Year Ended June 30,		Percentage Change
	2019	2018	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 6,744,998	\$ 6,841,043	(1.40)%
Operating Grants and Contributions	27,140,691	30,630,308	(11.39)
Capital Grants and Contributions	1,464,809	1,417,759	3.32
<u>General Revenues</u>			
Property Taxes	42,155,635	38,255,159	10.20
Unrestricted State Aid	72,209,515	72,254,897	(0.06)
Investment Earnings	1,759,869	1,603,649	9.74
Other	571,326	843,809	(32.29)
Total Revenues	<u>152,046,843</u>	<u>151,846,624</u>	0.13
Expenses			
Administration	4,498,702	7,064,664	(36.32)
District Support Services	3,580,259	5,416,849	(33.91)
Regular Instruction	46,871,276	84,580,748	(44.58)
Vocational Education Instruction	1,425,163	2,727,220	(47.74)
Special Education Instruction	17,808,445	31,733,029	(43.88)
Instructional Support Services	11,229,401	15,039,975	(25.34)
Pupil Support Services	10,957,678	12,947,885	(15.37)
Sites and Buildings	11,424,974	10,134,372	12.73
Fiscal and Other Fixed Cost Programs	336,761	313,683	7.36
Food Service	5,940,220	5,952,121	(0.20)
Community Service	6,684,160	8,255,773	(19.04)
Interest and Fiscal Charges on Long-Term Liabilities	4,401,719	5,109,211	(13.85)
Total Expenses	<u>125,158,758</u>	<u>189,275,530</u>	(33.87)
Change in Net Position	26,888,085	(37,428,906)	
Beginning Net Position	<u>(104,797,598)</u>	<u>(67,368,692)</u>	
Ending Net Position	<u>\$ (77,909,513)</u>	<u>\$ (104,797,598)</u>	

Total revenues were \$152,046,843 while total expenses were \$125,158,758, increasing net position by \$26,888,085.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

The cost of all *governmental* activities this year was \$125,158,758.

- Some of the cost was paid by the users of the District's programs (Table A-2, Charges for Services, \$6,744,998). The majority of this category, approximately \$5.2 million, comes from food service meal sales and community education class tuition.
- The federal and state governments subsidized certain programs with grants and contributions (Table A-2, Operating and Capital Grants and Contributions, \$28,605,500).
- Most of the District's costs were paid for with local property taxes, unrestricted state aid, investment earnings, and other general revenues. Governmental activities were paid for with \$42,155,635 in property taxes, \$72,209,515 of unrestricted state aid, and with investment earnings and other general revenues.



**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

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

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

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

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2019	2018		2019	2018	
Administration	\$ 4,498,702	\$ 7,064,664	(36.32)%	\$ 4,392,782	\$ 6,591,859	(33.36)%
District Support Services	3,580,259	5,416,849	(33.91)	3,560,279	5,411,599	(34.21)
Regular Instruction	46,871,276	84,580,748	(44.58)	42,550,953	77,650,805	(45.20)
Vocational Education Instruction	1,425,163	2,727,220	(47.74)	1,502,922	2,722,592	(44.80)
Special Education Instruction	17,808,445	31,733,029	(43.88)	313,123	14,121,051	(97.78)
Instructional Support Services	11,229,401	15,039,975	(25.34)	10,106,496	13,638,155	(25.90)
Pupil Support Services	10,957,678	12,947,885	(15.37)	10,409,046	12,654,563	(17.74)
Sites and Buildings	11,424,974	10,134,372	12.73	10,658,591	9,487,848	12.34
Fiscal and Other Fixed Cost Programs	336,761	313,683	7.36	336,761	313,683	7.36
Food Service	5,940,220	5,952,121	(0.20)	287,395	179,930	59.73
Community Service	6,684,160	8,255,773	(19.04)	1,289,497	2,506,049	(48.54)
Interest and Fiscal Charges on Long-Term Liabilities	4,401,719	5,109,211	(13.85)	4,400,415	5,108,286	(13.86)
Total	\$ 125,158,758	\$ 189,275,530	(33.87)	\$ 89,808,260	\$ 150,386,420	(40.28)

The cost of all governmental activities this year was \$125,158,758, a decrease of \$64,116,772 from the prior year. After applying program specific revenue, the net cost of all governmental activities this year was \$89,808,260 or a decrease of \$60,578,160 from the prior year.

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. All of the governmental funds had less revenue than expenditures in 2019, thereby contributing to the decrease in individual fund balance. At the end of the 2018-19 fiscal year, the District's governmental funds reported combined fund balances of \$22,884,203. This is a 6.12% decrease in comparison to the prior year. The decrease is primarily due to the decreases in the General Fund and Capital Projects fund. The decrease in the General Fund primarily relates to the impact of declined enrollment and planned spend-down of fund balance to maintain programming. The decrease in the Capital Projects Fund primarily related to the completion of construction projects.

Revenues and other financing sources (excluding transfers in) for the District's governmental funds were \$155,971,763, while total expenditures other financing uses (excluding transfers out) were \$157,463,600. As a result, the District completed the year with a net change in fund balances of (\$1,491,837).

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

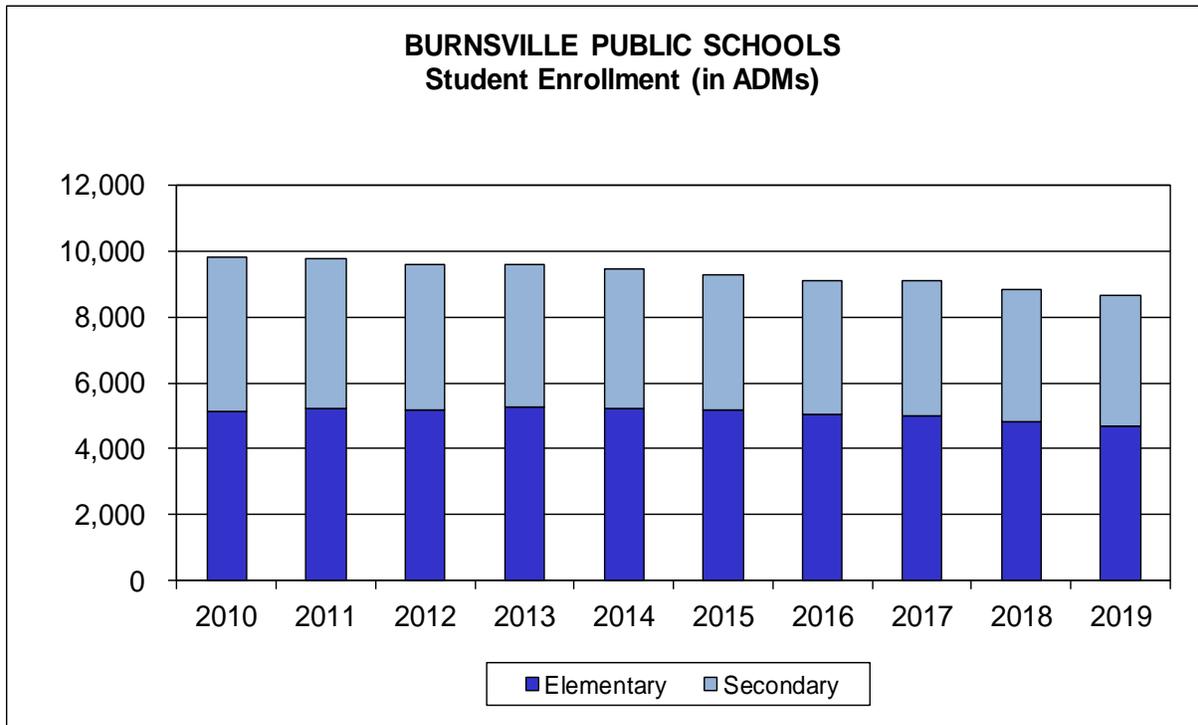
General Fund

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

ENROLLMENT

Enrollment is a critical factor in determining revenue with approximately 70% of General Fund revenue being determined by enrollment. Like many Minnesota school districts, the District has been facing declining enrollment. During the last five years, the District has averaged a 1.70% decrease in students per year. From 2018 to 2019 the decrease was 1.90%. Enrollment per grade level continued to see a decrease. The following chart reflects that the number of students has decreased over the last 10 years.

**Table A-4
Student Enrollment
Average Daily Membership (ADM)**



**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

The following schedule presents a summary of General Fund Revenues.

**Table A-5
General Fund Revenues**

	Year Ended		Change	
	June 30,		Increase	Percent
	2019	2018	(Decrease)	Change
Local Sources:				
Property Taxes	\$ 30,501,788	\$ 26,115,688	\$ 4,386,100	16.8 %
Earnings on Investments	715,087	124,827	590,260	472.9
Other	2,083,944	2,599,204	(515,260)	(19.8)
State Sources	94,084,001	92,932,943	1,151,058	1.2
Federal Sources	4,154,299	4,008,431	145,868	3.6
Total General Fund Revenue	<u>\$ 131,539,119</u>	<u>\$ 125,781,093</u>	<u>\$ 5,758,026</u>	4.6

General Fund revenue increased by \$5,758,026, or 4.6%, from the previous year.

Property taxes increased \$4,386,100. This increase is mainly a result of an increase in Referenda dollars associated with the community support in the November 2017 renewal and increase of levy referendum.

State Sources increased by \$1,151,058. State increased overall after consideration of the following factors. The increase in the general education formula was offset by the decline in enrollment. The District served a larger number of students within our school within a school model at our middle school level and in our extended time services resulting in an \$800,000 increase in aid allocated to the restricted ALC fund balance. Special education revenue received increased over the prior year by nearly \$673,958.

Federal Revenue is recorded in the year in which the related expenditure is made. Federal Sources increased by \$145,868, largely due to the decrease in federal Title II revenue received in fiscal year 2019.

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

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

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended		Change	
	2019	2018	Increase (Decrease)	Percent Change
Salaries	\$ 75,009,494	\$ 74,097,361	\$ 912,133	1.2 %
Employee Benefits	29,783,336	29,360,147	423,189	1.4
Purchased Services	18,286,055	17,854,686	431,369	2.4
Supplies and Materials	3,212,980	3,636,499	(423,519)	(11.6)
Capital Expenditures	4,643,582	3,796,740	846,842	22.3
Debt Service	444,507	686,854	(242,347)	(35.3)
Other Expenditures	696,334	691,249	5,085	0.7
Total General Fund Expenditures	<u>\$ 132,076,288</u>	<u>\$ 130,123,536</u>	<u>\$ 1,952,752</u>	1.5

Total General Fund expenditures increased \$1,952,752 or 1.5% from the previous year. The increase can be attributed mostly to personnel and employee benefits as well as an increase in capital expenditures.

Salaries expense also increased mainly as a result of factors including longevity, education, pay rates, other items included in bargaining agreements, increases in TRA employer contributions, and the rising health insurance premiums. The net increase of the employee benefits reflects the increased healthcare costs to the District. The District continues to look at various strategies to minimize the impact of rising health insurance premiums through self- insurance, wellness initiatives, and employee education.

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

Capital Expenditures consist of expenditures for equipment, technology equipment, leases, and site and building improvements. The main increase in this category was related to an increase in capital long-term facility projects incurred.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

General Fund Budgetary Highlights

After initial approval of the budget, the District revised the budget based on changes in unbudgeted costs or revenue changes. While the District anticipated, in its final budget, that the net change in fund balance would be a decrease of \$2,374,387, total fund balance decreased by \$530,805, resulting in a fund balance of \$15,284,399 at June 30, 2019.

Revenues were higher than budgeted by \$948,679 and expenditures were less than budgeted by \$888,539. We were conservative with revenues given the decline in enrollment. We were successful in serving a greater number of our students within the School within a School model at the middle level. This assisted in realizing a higher revenue. Where possible expenditures were curtailed in our effort to reduce costs. Budget for salaries were not adjusted as tightly as could have been largely due to the change in financial systems. A more conservative approach was taken for the expenditure budget related to salaries and benefits.

Food Service Fund

The Food Service Fund revenue for 2018-19 totaled \$5,712,325 and expenditures were \$5,934,489. The June 30, 2019 fund balance is \$1,014,178, a decrease of \$222,164 from fiscal year 2018. Actual revenues were \$316,857 lower than budget mainly due to a decrease in total meals served overall. Actual expenditures were \$367,984 lower than budget mainly due to capital outlay originally budgeted but not used. These variances resulted in spend down in fund balance being \$51,127 less than budgeted.

Community Service Fund

The Community Service Fund revenue for 2018-19 totaled \$7,246,347 and expenditures were \$7,334,613. The June 30, 2019 fund balance is \$319,842, a decrease of \$88,266 from fiscal year 2017-2018. Our community continues to experience an increase in desired services with a lesser ability to afford these services. In our efforts to serve all our community, we have experienced greater salary and benefit costs that outpace the revenue generated but have modified current programming to adjust. This will continue to be a priority to maintain a fund balance for continued services to our community.

Capital Projects-Building Construction Fund

The Capital Projects-Building Construction Fund revenue for 2018-19 totaled \$60,454 and expenditures were \$1,014,037. The June 30, 2019 fund balance is \$2,800,813, a decrease of \$953,583 from fiscal year 2018. The decrease in fund balance is due to bond proceeds from the 2015A School Building Bonds being partially spent down as the building projects are completed for Vision One91. Given the volume of decisions currently in process related to facilities and their uses, spend down of these funds are on hold to determine exact needs as related to the original 2015A School Building Bond purposes.

Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction, operating capital, or for initial or refunding bonds. The Debt Service Fund revenue and other financing sources for 2018-19 totaled \$11,407,154, a decrease of \$259,152 from fiscal year 2018 due a reduction in earnings on investments. The expenditure budget is based on the payment schedule of bond principal and interest on the general obligation bonds, including refunding bonds issued from 2004 through 2016.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2019**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2019, the District had invested over \$299 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). (More detailed information about capital assets can be found in Note 3 to the financial statements.) Total depreciation expense for the year was just under \$11.0 million.

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

	2019	2018	Percent Change
Land	\$ 3,119,968	\$ 3,119,968	-
Construction in Progress	323,004	1,382,771	(76.6)
Land Improvements	18,734,294	18,381,258	1.9
Buildings and Improvements	268,222,752	265,609,149	1.0
Equipment	8,302,874	8,079,368	2.8
Less: Accumulated Depreciation	(151,585,925)	(140,622,006)	7.8
Total Capital Assets Net of Depreciation	<u>\$ 147,116,967</u>	<u>\$ 155,950,508</u>	(5.7)

Long-Term Liabilities

At year-end, the District had \$144,981,258 in general obligation bonds and obligations under capital lease payable outstanding as shown in Note 4 to the financial statements. The District also had an estimated net \$11,785,822 in postemployment severance and health benefits payable at June 30, 2019 and \$82,375,091 in net pension liability. Total long-term liabilities at June 30, 2019 decreased 16.1% as compared to June 30, 2018.

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

	2019	2018	Percent Change
General Obligation Bonds	\$ 138,355,000	\$ 144,690,000	(4.4)%
Net Bond Premium and Discount	5,741,605	6,149,845	(6.6)
Obligations Under Capital Leases	884,653	1,270,148	(30.4)
Net Pension Liability	82,375,091	231,312,866	(64.4)
Severance Benefits Payable	1,060,170	1,347,163	(21.3)
Other Postemployment Benefits	9,939,879	9,709,574	2.4
Compensated Absences Payable	785,773	635,289	23.7
Total Long-Term Liabilities	<u>\$ 239,142,171</u>	<u>\$ 395,114,885</u>	(39.5)
Long-Term Liabilities:			
Due Within One Year	\$ 8,413,406	\$ 7,509,635	12.0 %
Due in More Than One Year	230,728,765	387,605,250	(40.5)
Total	<u>\$ 239,142,171</u>	<u>\$ 395,114,885</u>	(39.5)

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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, the District is dependent on the State of Minnesota for most of its revenue authority. Recent experience demonstrates that legislated revenue increases have not been sufficient to meet instructional program needs and increased costs due to inflation. There is growing concern of the state aid formula for special education services as we are at the cap within the formula and this is causing our cross subsidy of special education services to grow.

The basic revenue formula allowance increased to \$6,312 in fiscal 2019. The Legislature approved an increase in the General Education formula much needed to keep pace with inflationary expenditures. The funding formula has been below the current annual rate of inflation for the last 20 years. Accordingly, the District continues to utilize sophisticated enrollment and financial planning tools, along with detailed and conservative budgeting and budget monitoring processes. The District will continue to seek all available sources of funding, respond to enrollment decreases, balance revenue to expenditures, and maintain systems that ensure financial stability.

The District will strive to maintain its long-standing commitment to academic excellence and educational opportunity for students within a framework of financial fiduciary responsibility.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Independent School District No. 191, 200 W. Burnsville Parkway, Burnsville, Minnesota 55337. The telephone number for the District is (952) 707-2050. Financial and other district information is also available on the District's website at isd191.org.

BASIC FINANCIAL STATEMENTS

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STATEMENT OF NET POSITION
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Governmental Activities	
	2019	2018
ASSETS		
Cash and Investments	\$ 70,810,924	\$ 73,990,940
Receivables:		
Property Taxes	23,654,161	23,285,799
Other Governments	10,152,984	9,467,081
Other	464,221	309,118
Prepaid Items	858,212	375,882
Inventories	125,257	189,270
Capital Assets:		
Land and Construction in Progress	3,442,972	4,502,739
Other Capital Assets, Net of Depreciation	143,673,995	151,447,769
Total Assets	253,182,726	263,568,598
DEFERRED OUTFLOWS OF RESOURCES		
Losses on Debt Refunding	342,877	378,655
Deferred Outflows - Pensions	94,164,411	127,481,549
Deferred Outflows - Other Postemployment Benefits	1,137,017	612,017
Total Deferred Outflows	95,644,305	128,472,221
LIABILITIES		
Salaries Payable	11,814,026	12,533,875
Accounts and Contracts Payable	7,774,694	6,902,927
Accrued Interest	2,695	1,989,791
Due to Other Governmental Units	370,974	207,716
Unearned Revenue	404,404	435,487
Long-Term Liabilities:		
Net Pension Liability	82,375,091	231,312,866
Other Postemployment Benefits Liability	9,939,879	9,709,574
Other Long-Term Liabilities Due Within One Year	8,413,406	7,509,635
Other Long-Term Liabilities Due in More Than One Year	138,413,795	146,582,810
Total Liabilities	259,508,964	417,184,681
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Levied for Subsequent Year	40,268,973	38,736,171
Gains on Debt Refunding	39,550	44,765
Deferred Inflows - Pensions	126,919,057	40,872,800
Total Deferred Inflows of Resources	167,227,580	79,653,736
NET POSITION		
Net Investment in Capital Assets	17,556,925	21,465,486
Restricted for:		
General Fund Operating Capital Purposes	2,995,868	2,701,480
General Fund State-Mandated Reserves	2,851,870	1,456,927
Food Service	1,014,178	1,236,342
Community Service	329,130	426,795
Capital Projects - Building Construction	22,231	-
Unrestricted	(102,679,715)	(132,084,628)
Total Net Position	\$ (77,909,513)	\$ (104,797,598)

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

Functions	2019				2018	2018
	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total Governmental Activities
GOVERNMENTAL ACTIVITIES						
Administration	\$ 4,498,702	\$ 190,346	\$ (126,779)	\$ 42,353	\$ (4,392,782)	\$ (6,591,859)
District Support Services	3,580,259	5,225	14,755	-	(3,560,279)	(5,411,599)
Regular Instruction	46,871,276	560,837	2,773,865	985,621	(42,550,953)	(77,650,805)
Vocational Education Instruction	1,425,163	490	(78,249)	-	(1,502,922)	(2,722,592)
Special Education Instruction	17,808,445	384,019	17,111,303	-	(313,123)	(14,121,051)
Instructional Support Services	11,229,401	534	1,119,941	2,430	(10,106,496)	(13,638,155)
Pupil Support Services	10,957,678	87,135	461,497	-	(10,409,046)	(12,654,563)
Sites and Buildings	11,424,974	307,817	24,161	434,405	(10,658,591)	(9,487,848)
Fiscal and Other Fixed Cost Programs	336,761	-	-	-	(336,761)	(313,683)
Food Service	5,940,220	1,578,052	4,074,773	-	(287,395)	(179,930)
Community Service	6,684,160	3,630,543	1,764,120	-	(1,289,497)	(2,506,049)
Interest and Fiscal Charges on Long-Term Liabilities	4,401,719	-	1,304	-	(4,400,415)	(5,108,286)
Total School District	<u>\$ 125,158,758</u>	<u>\$ 6,744,998</u>	<u>\$ 27,140,691</u>	<u>\$ 1,464,809</u>	(89,808,260)	(150,386,420)
GENERAL REVENUES						
Property Taxes Levied for:						
General Purposes					30,350,044	26,224,210
Community Service					1,403,837	1,554,844
Debt Service					10,401,754	10,476,105
State Aid Not Restricted to Specific Purposes					72,209,515	72,254,897
Earnings on Investments					1,759,869	1,603,649
Miscellaneous					564,962	802,893
Insurance Recovery					6,364	40,916
Total General Revenues					<u>116,696,345</u>	<u>112,957,514</u>
CHANGE IN NET POSITION					26,888,085	(37,428,906)
Net Position - Beginning					<u>(104,797,598)</u>	<u>(67,368,692)</u>
NET POSITION - ENDING					<u>\$ (77,909,513)</u>	<u>\$ (104,797,598)</u>

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Major Funds					Total Governmental Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2019	2018
ASSETS							
Cash and Investments	\$ 28,906,674	\$ 1,132,170	\$ 1,508,690	\$ 2,801,506	\$ 6,562,500	\$ 40,911,540	\$ 44,424,893
Receivables:							
Current Property Taxes	16,150,209	-	817,909	-	6,238,941	23,207,059	22,731,998
Delinquent Property Taxes	312,349	-	15,579	-	119,174	447,102	553,801
Accounts and Interest Receivable	251,735	96,484	22,769	-	-	370,988	154,933
Due from Other Minnesota School Districts	86,020	-	-	-	-	86,020	81,091
Due from Minnesota Department of Education	8,413,915	5,540	135,500	-	65,839	8,620,794	8,272,186
Due from Federal through Minnesota Department of Education	1,271,035	140,002	14,769	-	-	1,425,806	1,101,525
Due from Other Governmental Units	20,364	-	-	-	-	20,364	12,279
Due from Other Funds	-	-	-	-	-	-	836,025
Inventory	-	125,257	-	-	-	125,257	189,270
Prepays	469,392	-	1,348	-	2,325,779	2,796,519	375,882
Total Assets	\$ 55,881,693	\$ 1,499,453	\$ 2,516,564	\$ 2,801,506	\$ 15,312,233	\$ 78,011,449	\$ 78,733,883
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
Liabilities:							
Salaries and Compensated Absences Payable	\$ 4,678,544	\$ 180,010	\$ 158,649	\$ -	\$ -	\$ 5,017,203	\$ 6,198,104
Payroll Deductions and Employer Contributions Payable	6,477,345	170,667	148,811	-	-	6,796,823	6,335,771
Accounts and Contracts Payable	1,679,923	37,567	64,196	693	-	1,782,379	1,953,208
Due to Other Governmental Units	370,930	-	44	-	-	370,974	207,716
Due to Other Funds	259,545	-	-	-	-	259,545	-
Unearned Revenue	681	97,031	271,913	-	-	369,625	435,487
Total Liabilities	13,466,968	485,275	643,613	693	-	14,596,549	15,130,286
Deferred Inflows of Resources:							
Unavailable Revenue - Property Taxes Levied for Subsequent Year	26,949,893	-	1,543,821	-	11,775,259	40,268,973	38,736,171
Unavailable Revenue - Delinquent Property Taxes	180,433	-	9,288	-	72,003	261,724	491,386
Total Deferred Inflows of Resources	27,130,326	-	1,553,109	-	11,847,262	40,530,697	39,227,557
Fund Balance:							
Nonspendable:							
Inventory	-	125,257	-	-	-	125,257	189,270
Prepays	469,392	-	1,348	-	2,325,779	2,796,519	375,882
Restricted for:							
Capital Projects Levy	289,900	-	-	-	-	289,900	342,560
Operating Capital	2,995,868	-	-	-	-	2,995,868	2,701,480
Early Childhood and Family Education Area Learning Center	2,561,970	-	-	-	-	2,561,970	1,114,367
School Readiness	-	-	318,494	-	-	318,494	351,628
Long Term Facilities Maintenance	-	-	-	296,436	-	296,436	510,737
Restricted for Other Purposes	-	888,921	-	2,504,377	1,139,192	4,532,490	7,452,721
Committed for:							
Program Carryover - Noncapital	800,655	-	-	-	-	800,655	748,055
Program Carryover - Facilities Rental	356,530	-	-	-	-	356,530	243,297
Pro Pay Program	393,009	-	-	-	-	393,009	266,452
Unassigned	7,417,075	-	-	-	-	7,417,075	10,024,458
Total Fund Balance	15,284,399	1,014,178	319,842	2,800,813	3,464,971	22,884,203	24,376,040
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 55,881,693	\$ 1,499,453	\$ 2,516,564	\$ 2,801,506	\$ 15,312,233	\$ 78,011,449	\$ 78,733,883

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	2019	2018
Total Fund Balance for Governmental Funds	\$ 22,884,203	\$ 24,376,040
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	3,119,968	3,119,968
Construction in Progress	323,004	1,382,771
Land Improvements, Net of Accumulated Depreciation	6,170,058	7,611,286
Buildings and Improvements, Net of Accumulated Depreciation	135,523,259	141,845,164
Equipment, Net of Accumulated Depreciation	1,980,678	1,991,319
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 unavailable revenue in the funds.		
	261,724	491,386
When a bond defeasance occurs the difference between the amount paid to the refunded bond escrow and the principal of the defeased debt is expensed in the governmental funds. These expenditures are capitalized on the statement of net position as deferred charges.		
	342,877	378,655
The District's OPEB liability and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:		
Other Postemployment Benefits Liability	(9,939,879)	(9,709,574)
Deferred Outflows of Resources - Other Postemployment Benefits	1,137,017	612,017
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditures when due.		
	(2,695)	(1,989,791)
Prepaid interest on long-term debt is booked for the full amount of the additional payment made before its due in the governmental funds, but only the portion related to future periods are prepaid on the Statement of Net Position.		
	(1,938,307)	-
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	(82,375,091)	(231,312,866)
Deferred Inflows of Resources - Pensions	(126,919,057)	(40,872,800)
Deferred Outflows of Resources - Pensions	94,164,411	127,481,549
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	(138,355,000)	(144,690,000)
Unamortized Premiums	(5,741,605)	(6,149,845)
Unamortized Gains on Debt Refunding	(39,550)	(44,765)
Certificates of Participation Payable	(884,653)	(1,270,148)
Compensated Absences Payable	(785,773)	(635,289)
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:		
	23,164,898	22,587,325
Total Net Position of Governmental Activities	\$ (77,909,513)	\$ (104,797,598)

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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 Funds	
	General	Food Service	Community Service	Capital Projects	Debt Service	2019	2018
REVENUES							
Local Sources:							
Property Taxes	\$ 30,501,788	\$ -	\$ 1,413,236	\$ -	\$ 10,470,273	\$ 42,385,297	\$ 38,097,535
Earnings and Investments	715,087	20,013	18,990	60,454	97,432	911,976	653,809
Other	2,083,944	1,606,824	4,038,813	-	190,336	7,919,917	8,609,002
State Sources	94,084,001	301,244	1,728,066	-	649,113	96,762,424	95,558,484
Federal Sources	4,154,299	3,784,244	47,242	-	-	7,985,785	7,806,378
Total Revenues	<u>131,539,119</u>	<u>5,712,325</u>	<u>7,246,347</u>	<u>60,454</u>	<u>11,407,154</u>	<u>155,965,399</u>	<u>150,725,208</u>
EXPENDITURES							
Current:							
Administration	5,774,945	-	-	-	-	5,774,945	5,680,528
District Support Services	3,396,407	-	-	-	-	3,396,407	5,027,862
Elementary and Secondary Regular Instruction	55,816,055	-	-	-	-	55,816,055	55,398,654
Vocational Education Instruction	2,036,313	-	-	-	-	2,036,313	2,150,295
Special Education Instruction	25,398,748	-	-	-	-	25,398,748	24,767,930
Instructional Support Services	12,205,567	-	-	-	-	12,205,567	10,888,211
Pupil Support Services	11,884,787	-	-	-	-	11,884,787	11,877,743
Sites and Buildings	10,138,616	-	-	-	-	10,138,616	9,535,036
Fiscal and Other Fixed Cost Programs	336,761	-	-	-	-	336,761	313,683
Food Service	-	5,902,901	-	-	-	5,902,901	5,829,895
Community Service	-	-	7,324,705	-	-	7,324,705	7,443,701
Capital Outlay	4,643,582	31,588	9,908	1,014,037	-	5,699,115	6,718,409
Debt Service:							
Principal	385,495	-	-	-	6,335,000	6,720,495	6,037,595
Interest and Fiscal Charges	59,012	-	-	-	4,769,173	4,828,185	6,444,307
Total Expenditures	<u>132,076,288</u>	<u>5,934,489</u>	<u>7,334,613</u>	<u>1,014,037</u>	<u>11,104,173</u>	<u>157,463,600</u>	<u>158,113,849</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(537,169)	(222,164)	(88,266)	(953,583)	302,981	(1,498,201)	(7,388,641)
OTHER FINANCING SOURCES (USES)							
Insurance Recovery	6,364	-	-	-	-	6,364	40,916
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	(29,330,000)
Total Other Financing Sources (Uses)	<u>6,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,364</u>	<u>(29,289,084)</u>
NET CHANGE IN FUND BALANCE	(530,805)	(222,164)	(88,266)	(953,583)	302,981	(1,491,837)	(36,677,725)
FUND BALANCES							
Beginning of Year	15,815,204	1,236,342	408,108	3,754,396	3,161,990	24,376,040	61,053,765
End of Year	<u>\$ 15,284,399</u>	<u>\$ 1,014,178</u>	<u>\$ 319,842</u>	<u>\$ 2,800,813</u>	<u>\$ 3,464,971</u>	<u>\$ 22,884,203</u>	<u>\$ 24,376,040</u>

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	2019	2018
Net Change in Fund Balance - Total Governmental Funds	\$ (1,491,837)	\$ (36,677,725)
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	2,291,117	4,486,613
Loss on Disposal of Capital Assets	(82,447)	-
Depreciation Expense	(11,042,211)	(9,480,909)
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are unearned in the governmental funds.	(229,662)	157,624
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.		
Change in Accrued Interest - Capital Leases	931	6,964
Principal Payments - Capital Leases	385,495	601,457
Pension expenses in the governmental funds are measured by current year employer contributions. Pension expenditures on the statement of activities are measured by the change in the net pension liability and the related deferred inflows and outflows of resources.	29,574,380	(32,588,477)
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).	(150,484)	35,019
Payments to the District's OPEB liability are recognized as expenditures at the fund level while the change in the OPEB obligation and the related deferred inflows and outflows of resources are recognized in the statement of net position.	294,695	(310,743)
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:		
Payment to Refunded Bond Escrow Agent	-	29,330,000
Repayment of Bond Principal	6,335,000	5,445,000
Change in Accrued Interest and Prepaid Interest - General Obligation Bonds	47,858	953,709
Amortization of Bond Premium	408,240	414,822
Amortization of Deferred Charges on Refunding Bonds	(30,563)	(49,261)
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.	577,573	247,001
Total	\$ 26,888,085	\$ (37,428,906)

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 29,598,368	\$ 30,466,716	\$ 30,501,788	\$ 35,072
Earnings and Investments	90,000	90,000	715,087	625,087
Other	3,247,738	2,997,738	2,083,944	(913,794)
State Sources	90,021,101	92,519,245	94,084,001	1,564,756
Federal Sources	4,165,250	4,516,741	4,154,299	(362,442)
Total Revenues	<u>127,122,457</u>	<u>130,590,440</u>	<u>131,539,119</u>	<u>948,679</u>
EXPENDITURES				
Current:				
Administration	5,878,148	5,870,185	5,774,945	(95,240)
District Support Services	4,760,763	4,718,597	3,396,407	(1,322,190)
Elementary and Secondary Regular Instruction	56,205,999	56,609,825	55,816,055	(793,770)
Vocational Education Instruction	1,829,366	2,043,710	2,036,313	(7,397)
Special Education Instruction	24,921,575	25,550,411	25,398,748	(151,663)
Instructional Support Services	9,433,634	11,869,482	12,205,567	336,085
Pupil Support Services	11,507,179	11,497,967	11,884,787	386,820
Sites and Buildings	10,094,299	10,114,598	10,138,616	24,018
Fiscal and Other Fixed Cost Programs	427,500	427,500	336,761	(90,739)
Capital Outlay	3,256,970	3,818,044	4,643,582	825,538
Debt Service:				
Principal	385,495	385,495	385,495	-
Interest and Fiscal Charges	59,013	59,013	59,012	(1)
Total Expenditures	<u>128,759,941</u>	<u>132,964,827</u>	<u>132,076,288</u>	<u>(888,539)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,637,484)	(2,374,387)	(537,169)	1,837,218
OTHER FINANCING SOURCES				
Insurance Recovery	-	-	6,364	6,364
NET CHANGE IN FUND BALANCE	<u>\$ (1,637,484)</u>	<u>\$ (2,374,387)</u>	<u>(530,805)</u>	<u>\$ 1,843,582</u>
FUND BALANCE				
Beginning of Year			15,815,204	
End of Year			<u>\$ 15,284,399</u>	

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Earnings and Investments	\$ 10,000	\$ 10,000	\$ 20,013	\$ 10,013
Other - Primarily Meal Sales	1,828,218	1,828,218	1,606,824	(221,394)
State Sources	298,993	303,440	301,244	(2,196)
Federal Sources	3,773,491	3,887,524	3,784,244	(103,280)
Total Revenues	<u>5,910,702</u>	<u>6,029,182</u>	<u>5,712,325</u>	<u>(316,857)</u>
EXPENDITURES				
Current:				
Food Service	5,781,537	5,966,473	5,902,901	(63,572)
Capital Outlay	336,000	336,000	31,588	(304,412)
Total Expenditures	<u>6,117,537</u>	<u>6,302,473</u>	<u>5,934,489</u>	<u>(367,984)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (206,835)</u>	<u>\$ (273,291)</u>	(222,164)	<u>\$ 51,127</u>
FUND BALANCE				
Beginning of Year			<u>1,236,342</u>	
End of Year			<u>\$ 1,014,178</u>	

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR COMMUNITY SERVICE FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 1,411,983	\$ 1,411,983	\$ 1,413,236	\$ 1,253
Earnings and Investments	5,000	5,000	18,990	13,990
Other - Primarily Meal Sales	3,613,250	3,581,250	4,038,813	457,563
State Sources	1,782,430	1,789,230	1,728,066	(61,164)
Federal Sources	30,000	47,550	47,242	(308)
Total Revenues	<u>6,842,663</u>	<u>6,835,013</u>	<u>7,246,347</u>	<u>411,334</u>
EXPENDITURES				
Current:				
Community Service	6,974,822	6,877,477	7,324,705	447,228
Capital Outlay	54,500	54,500	9,908	(44,592)
Total Expenditures	<u>7,029,322</u>	<u>6,931,977</u>	<u>7,334,613</u>	<u>402,636</u>
NET CHANGE IN FUND BALANCE	<u>\$ (186,659)</u>	<u>\$ (96,964)</u>	(88,266)	<u>\$ 8,698</u>
FUND BALANCE				
Beginning of Year			<u>408,108</u>	
End of Year			<u>\$ 319,842</u>	

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STATEMENT OF NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Governmental Activities - Internal Service Funds	
	2019	2018
ASSETS		
Current Assets:		
Cash and Investments	\$ 29,899,384	\$ 29,566,047
Accounts Receivable	195	13,646
Interest Receivable	93,038	140,539
Due from Other Funds	259,545	668,740
Total Current Assets	30,252,162	30,388,972
LIABILITIES		
Current Liabilities:		
Health and Dental Claims Payable	1,973,810	1,231,594
Due to Plan Participants	4,018,505	3,718,125
Severance Benefits Payable	217,944	153,851
Due to Other Funds	-	1,504,765
Unearned Revenues	34,779	-
Total Current Liabilities	6,245,038	6,608,335
Noncurrent Liabilities:		
Severance Benefits Payable	842,226	1,193,312
Total Liabilities	7,087,264	7,801,647
NET POSITION		
Unrestricted	\$ 23,164,898	\$ 22,587,325

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Governmental Activities - Internal Service Funds	
	2019	2018
OPERATING REVENUES		
Charges for Services	\$ 22,226,007	\$ 21,255,474
Other	484,642	218,960
Total Operating Revenues	22,710,649	21,474,434
OPERATING EXPENSES		
Health Insurance Claim Payments	20,668,436	20,249,419
Dental Insurance Claim Payments	888,993	929,348
Severance Payments	248,761	347,703
OPEB Payments	1,174,779	650,803
Total Operating Expenses	22,980,969	22,177,273
OPERATING LOSS	(270,320)	(702,839)
NONOPERATING INCOME		
Earnings on Investments	847,893	949,840
CHANGE IN NET POSITION	577,573	247,001
Net Position - Beginning	22,587,325	22,340,324
NET POSITION - ENDING	\$ 23,164,898	\$ 22,587,325

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
INTERNAL SERVICE FUND
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Governmental Activities - Internal Service Funds	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Interfund Services Provided	\$ 23,168,074	\$ 21,236,002
Payments for Health and Dental Claims	(20,514,917)	(20,655,836)
Payments to Employee OPEB	(2,679,544)	(38,786)
Payments for Severance Benefits	(535,670)	(644,815)
Net Cash Used by Operating Activities	(562,057)	(103,435)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	895,394	893,372
NET INCREASE IN CASH AND CASH EQUIVALENTS	333,337	789,937
Cash and Cash Equivalents - Beginning	29,566,047	28,776,110
CASH AND CASH EQUIVALENTS - ENDING	\$ 29,899,384	\$ 29,566,047
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (270,320)	\$ (702,839)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
(Increase) Decrease in Accounts Receivable	13,451	(8,366)
(Increase) Decrease in Due from Other Funds	409,195	(230,066)
Increase (Decrease) in Claims Payable	742,216	(91,442)
Increase in Due to Plan Participants	300,380	636,180
Decrease in Severance Benefits Payable	(286,993)	(289,440)
Increase (Decrease) in Due to Other Funds	(1,504,765)	582,538
Increase in Unearned Revenues	34,779	-
Total Adjustments	(291,737)	599,404
Net Cash Used by Operating Activities	\$ (562,057)	\$ (103,435)
Total Cash and Investments per Statement of Net Position	\$ 29,899,384	\$ 29,566,047

See accompanying Notes to Basic Financial Statements.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019**

	Employee Benefits Trust	Private-Purpose Trust
ASSETS		
Cash and Investments	\$ 98,373	\$ 132,074
LIABILITIES		
Accounts and Contracts Payable	-	-
NET POSITION		
Held In Trust	\$ 98,373	\$ 132,074

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

	Employee Benefits Trust	Private-Purpose Trust
ADDITIONS		
Plan Member Contributions	\$ 879,491	\$ -
Private Donations	-	93,875
Earnings on Investments	7,965	1,427
Total Additions	887,456	95,302
DEDUCTIONS		
Benefits Paid to Plan Members	913,509	-
Scholarships Awarded	-	53,616
Total Deductions	913,509	53,616
CHANGE IN NET POSITION	(26,053)	41,686
Net Position - Beginning of Year	124,426	90,388
NET POSITION - END OF YEAR	\$ 98,373	\$ 132,074

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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. 191 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. 191 (the District) is an instrumentality of the state of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

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

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

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation

The Government-wide financial statements (i.e. the statement of net position and the statement of activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. The Fiduciary Funds are only reported in the statement 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 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: pension (or other employee benefit) trust, private purpose 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.

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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.

Proprietary funds are reported using the economic resources method and the accrual basis of accounting. All assets and liabilities associated with their activity are included on their statement of net position. Revenues are recognized when earned and expenses are recognized when incurred. Regardless of the timing of related cash flows.

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

1. Revenue Recognition

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

2. Recording of Expenditures

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures.

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. Descriptions of the funds included in this report are as follows:

Major Governmental Funds

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the District, as well as the capital related activities such as maintenance of facilities equipment purchases, health and safety projects, and disabled accessibility projects.

Food Service Special Revenue Fund

The Food Service Fund is used to account for food service revenues and expenditures. Revenue is generated from state and federal grants and the sales of meals to students and teachers.

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, veterans, adult or early childhood programs, K-5 extended day programs or other similar services. Revenue is generated by program fees paid by participants.

Capital Projects 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 long-term obligation bond principal, interest, and related costs. The regular debt service account is used for all general obligation bonds except for refunding bond issues, for which a separate refunding bond trust account is established.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Proprietary Funds

Internal Service Fund

Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's internal service funds are used to account for the District's liabilities for severance, other postemployment benefits (OPEB), and health and dental insurance offered by the District to its employees as a self-insured plan.

Fiduciary Funds

Trust Funds

The District maintains Private-Purpose and Employee Benefit Trust Funds which are used to account for money held by the District in the capacity of trustee or custodian, where both the principal and interest can be spent.

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Capital Projects, and Debt Service Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

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

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

Budgeted amounts include mid-year budget amendments as follows:

	Original Budget	Amendments	Amended Budget
<u>Revenues</u>			
General Fund	\$ 127,122,457	\$ 3,467,983	\$ 130,590,440
Special Revenue Funds:			
Food Service Fund	5,910,702	118,480	6,029,182
Community Service Fund	6,842,663	(7,650)	6,835,013
Capital Projects Fund	10,000	-	10,000
Debt Service Fund	10,673,007	-	10,673,007
<u>Expenditures</u>			
General Fund	\$ 128,759,941	\$ 4,204,886	\$ 132,964,827
Special Revenue Funds:			
Food Service Fund	6,117,537	184,936	6,302,473
Community Service Fund	7,029,322	(97,345)	6,931,977
Capital Projects Fund	2,132,658	(132,658)	2,000,000
Debt Service Fund	11,101,798	-	11,101,798

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

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain restricted balances specified in Minnesota Statutes, exceeding 2.5% of expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

F. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in various securities as authorized by Minnesota Statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Highly liquid investments with maturities of three months or less are considered cash equivalents.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes.

Investments are stated at their fair value as determined by quoted market prices, except for money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less which are recorded at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments (Continued)

Money market investments are short-term, highly liquid debt instruments including commercial paper, banker's acceptances, and U.S. Treasury and agency obligations. Investments in external investment pools are valued at net asset value.

G. Receivables

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

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.

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Taxes (Continued)

In accordance with state law, the current tax shift consists of an amount equal to 31% of the District's 2000 Pay 2001 operating referendum levy (frozen at \$3,269,341) advance recognized as revenue in fiscal 2019 with no corresponding state aid adjustment. Certain other portions of the District's 2018 pay 2019 levy, normally revenue for the 2019-20 fiscal year, are also advance recognized as June 30, 2019, as required by state statute to match revenue with the same fiscal year as the related expenditures.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is deferred because it is not known to be available to finance the operations of the District in the current year. No allowance for uncollectible taxes has been provided as such amounts are not expected to be material. Current levies of local taxes, less the amount recognized as revenue in the current period, including portions assumed by the state which will be recognized as revenue in the next fiscal year beginning July 1, 2019, are included in the Property Taxes Levied for Subsequent Year account to indicate that, while they are current assets, they will not be recognized as revenue until the following year.

K. Capital Assets

Capital assets that are purchased or constructed by the District are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their 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 statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in process.

The District does not possess any material amounts of infrastructure capital assets. Items such as sidewalks and other land improvements are considered to be part of the cost of buildings or other improvable property.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first is related to the recording of defined pension benefits as further explained in Note 7. The second is the deferred losses on the refunding of certain bond issuances of the District. The Third is related to the recording of the other postemployment benefits. As further explained in Note 6.

In addition to liabilities, the financial statements 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 several types of items which occur related to revenue recognition. The first occurs because property tax receivables are recorded in the current year, but the revenue will be recorded in the subsequent year. Another type of deferred inflow of resources occurs because 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. The District also has two items that qualify for reporting in this category. The first is related to the recording of defined pension benefits as further explained in Note 7. The second is the deferred gains on the refunding of certain bond issuances of the District.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures on both the government-wide and fund financial statements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

Eligible employees accrue vacation and sick leave at varying rates as specified by contract, 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 severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.

O. Severance Benefits

Under the terms of collectively bargained employment contracts, certain district employee groups, including teachers, may become eligible to receive lump sum severance benefits. Eligibility is based on years of service and/or minimum age requirements.

Severance benefits are calculated by converting a portion of unused, accrued sick leave times a pay rate specified in the employee's collectively bargained contract. Severance benefits based on convertible sick leave are recorded as a liability in the Internal Service Fund as they are earned and it becomes probable they will vest at some point in the future. In accordance with Minnesota Statutes, no employee can receive severance or retirement incentive benefits that exceed one year's salary.

P. 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.

Q. Fund Balance

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

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

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

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Balance (Continued)

Assigned – consists of internally imposed constraints approved by a majority vote of the school board.

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 of 8% of the annual budget for fiscal year 2019.

R. Risk Management

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

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

S. Net Position

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows in the Government-wide and Fiduciary Fund financial statements. Net investment in capital assets consist 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 statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

T. 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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 have a deposit policy that will minimize Custodial Credit Risk by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law. 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 are both \$16,660,304 and were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Minnesota Statutes. At June 30, 2019, the District's petty cash fund totaled \$3,950.

B. Investments

The District may also invest idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies
- Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less
- General obligations rated "A" or better; revenue obligations rated "AA" or better
- General obligations of the Minnesota Housing Finance Agency rate "A" or better

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

- Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at 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:

	Fair Value
Negotiable Certificates of Deposit With Maturity at Purchase of Greater Than One Year	\$ 498,059
Municipal Bonds	3,873,257
Vanguard Total Bond Market ETF	357,616
Vanguard Total Stock Market ETF	3,725,234
Total Investments at Fair Value	8,454,166
	Amortized Cost
Money Markets	34,172
MN Trust Investment Shares	8,692,256
MN Trust Term Series	10,500,000
MN Trust Limited Term Duration Series	6,972,020
MSDLAF+	19,724,503
Total Investments at Amortized Cost	45,922,951
Total District Investments	\$ 54,377,117

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

The MN trust Investment Shares, MN Trust Term Series, MN Trust Limited Term Duration Series, and MDLAF+ funds are external investment pools and the investments within these pools are valued at amortized cost. The pools do not have any credit risk policies. There are no unfunded commitments in relation to these external investment pools. The MN Trust Limited Term Duration Series has a 30-day advance notice required for withdrawals.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 5	More Than 5		
MSDLAF+	\$ 19,724,503	\$ -	\$ -	\$ -	\$ 19,724,503	AAAm
MN Trust Term Series	10,500,000	10,500,000	-	-	-	AAAm
MN Trust Investment Shares	8,692,256	-	-	-	8,692,256	AAAm
MN Trust Limited Term Duration	6,972,020	6,972,020	-	-	-	NR
Municipal Bonds	3,873,257	1,718,746	2,154,511	-	-	AA- to AA+
Negotiable CDs	498,059	-	498,059	-	-	NR
Money Market Funds	34,172	-	-	-	34,172	AAAm
Vanguard Total Bond Market ETF	357,616	-	-	-	357,616	NR
Vanguard Total Stock Market ETF	3,725,234	-	-	-	3,725,234	NR
Total	\$ 54,377,117	\$ 19,190,766	\$ 2,652,570	\$ -	\$ 32,533,781	

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. Although the District’s investment policies do not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer, excluding U.S. guaranteed investments, investment pools, and mutual funds. The Districts investment policies do not address concentration risk. At June 30, 2019, the District did not have any single investments comprising 5% or more of total investments.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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

Cash and Investments - Statement of Net Position	\$ 70,810,924
Cash and Investments - Statement of Fiduciary Net Position	230,447
Total Cash and Investments	\$ 71,041,371

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 which 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 quotes prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

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

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

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

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

C. Fair Value Measurements (Continued)

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

Investment	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$ -	\$ 3,873,257	\$ -	\$ 3,873,257
Negotiable Certificates of Deposit	-	498,059	-	498,059
Vanguard Total Bond Market ETF	-	357,616	-	357,616
Vanguard Total Stock Market ETF	-	3,725,234	-	3,725,234
Total	<u>\$ -</u>	<u>\$ 8,454,166</u>	<u>\$ -</u>	<u>8,454,166</u>
Investments Measured at Amortized Cost				45,922,951
Total				<u>\$ 54,377,117</u>

Debt and equity securities as well as governmental agencies securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. 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 securities' relationship to benchmark quoted prices.

NOTE 3 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 3,119,968	\$ -	\$ -	\$ 3,119,968
Construction in Progress	1,382,771	506,872	(1,566,639)	323,004
Total Capital Assets, Not Being Depreciated	<u>4,502,739</u>	<u>506,872</u>	<u>(1,566,639)</u>	<u>3,442,972</u>
Capital Assets, Being Depreciated:				
Land Improvements	18,381,258	372,447	(19,411)	18,734,294
Buildings and Improvements	265,609,149	2,655,542	(41,939)	268,222,752
Equipment	8,079,368	322,895	(99,389)	8,302,874
Total Capital Assets, Being Depreciated	<u>292,069,775</u>	<u>3,350,884</u>	<u>(160,739)</u>	<u>295,259,920</u>
Accumulated Depreciation for:				
Land Improvements	(10,769,972)	(1,794,264)	-	(12,564,236)
Buildings and Improvements	(123,763,985)	(8,935,508)	-	(132,699,493)
Equipment	(6,088,049)	(312,439)	78,292	(6,322,196)
Total Accumulated Depreciation	<u>(140,622,006)</u>	<u>(11,042,211)</u>	<u>78,292</u>	<u>(151,585,925)</u>
Total Capital Assets, Being Depreciated, Net	<u>151,447,769</u>	<u>(7,691,327)</u>	<u>(82,447)</u>	<u>143,673,995</u>
Governmental Activities Capital Assets, Net	<u>\$ 155,950,508</u>	<u>\$ (7,184,455)</u>	<u>\$ (1,649,086)</u>	<u>\$ 147,116,967</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2019 was charged to the following governmental functions:

Governmental Activities

Administration	\$ 13,251
District Support Services	139,132
Regular Instruction	10,580,647
Vocational Education Instruction	2,208
Special Education Instruction	25,397
Community Education	7,729
Instructional Support	107,109
Pupil Support	5,521
Food Service	78,400
Sites and Buildings	82,817
Total Depreciation Expense, Governmental Activities	<u><u>\$ 11,042,211</u></u>

NOTE 4 LONG-TERM LIABILITIES

A. General Obligation Bonds Payable

The District currently has the following general obligation bonds outstanding:

Issue Date	Net Interest Rate	Series Number	Original Issue	Maturities	Principal Outstanding	
					Due Within One Year	Total
4/12/2011	2.00% - 4.00%	2011A	\$ 16,575,000	2018-2030	\$ 1,020,000	\$ 14,870,000
12/27/2012	2.00% - 3.00%	2012A	16,910,000	2014-2030	860,000	14,785,000
5/7/2015	2.00% - 4.00%	2015A	64,485,000	2017-2036	1,890,000	62,125,000
3/15/2016	2.00% - 3.00%	2016A	36,715,000	2018-2033	2,095,000	34,235,000
2/1/2017	0.6% - 2.80%	2016B	13,990,000	2017-2029	1,140,000	12,340,000
Total General Obligation Bonds					7,005,000	138,355,000
Bond Premiums					-	5,741,605
Capital Lease Payable					404,689	884,653
Severance Benefits Payable					217,944	1,060,170
Compensated Absences Payable					785,773	785,773
Total					<u><u>\$ 8,413,406</u></u>	<u><u>\$ 146,827,201</u></u>

These bonds were issued to finance the acquisition and/or construction of capital facilities, to refinance (refund) previous bond issues, or to finance OPEB benefits. Assets of the Debt Service Fund, together with scheduled future ad valorem tax levies, are dedicated for the retirement of these bonds. The annual future debt service levies authorized are equal to 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

B. Capital Leases

During the fiscal year ended June 30, 2007, the District entered into a capital lease agreement to finance the renovation and improvements to the Diamondhead Education Center valued at \$4,015,000. The lease carries an interest rate of 4.83% and has a final maturity of 2021. The assets acquired through the capital lease are included in buildings as of June 30, 2019. These payments will be made from the District's General Fund.

During the fiscal year ended June 30, 2009, the District entered into a capital lease agreement to finance improvements to the athletic facilities at Burnsville High School. Capital lease proceeds of \$875,000 carry an interest rate of 5.37% with a final maturity of 2024. The assets acquired through the capital lease are included in land improvements as of June 30, 2019. The lease will be repaid through the General Fund.

The assets acquired through capital leases are as follows:

Asset:	
Buildings and Improvements	\$ 5,088,075
Equipment	1,575,111
Less: Accumulated Depreciation	<u>(3,099,952)</u>
Total	<u><u>\$ 3,563,234</u></u>

C. Compensated Absences

Compensated absences payable represents the outstanding liability at year-end for any unused, accrued vacation. Compensated absences are paid by the General Fund.

D. Severance Benefits Payable

Severance benefits payable consist of early retirement incentive pay (based on convertible sick leave) payable to employees upon retirement. Severance benefits are paid by the Severance Benefits Internal Service Fund.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 LONG-TERM LIABILITIES (CONTINUED)

E. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds and capital leases payable are as follows:

<u>Year Ending June 30.</u>	General Obligation Bonds Payable		Capital Lease Obligations Payable	
	Principal	Interest	Principal	Interest
2020	\$ 7,005,000	\$ 4,649,660	\$ 404,689	\$ 39,818
2021	7,090,000	4,511,870	245,430	19,667
2022	7,300,000	4,305,893	74,074	11,613
2023	7,555,000	4,056,155	78,105	7,582
2024	7,830,000	3,771,725	82,355	3,332
2025-2029	43,315,000	14,864,800	-	-
2030-2034	40,840,000	7,211,575	-	-
2035-2036	17,420,000	853,612	-	-
Total	<u>\$ 138,355,000</u>	<u>\$ 44,225,290</u>	<u>\$ 884,653</u>	<u>\$ 82,012</u>

F. Changes in Long-Term Liabilities

	June 30, 2018	Additions	Retirements	June 30, 2019
Bonds Payable	\$ 144,690,000	\$ -	\$ 6,335,000	\$ 138,355,000
Bond Premiums	6,149,845	-	408,240	5,741,605
Capital Lease Payable	1,270,148	-	385,495	884,653
Severance Benefits Payable	1,347,163	-	286,993	1,060,170
Compensated Absences Payable	635,289	785,773	635,289	785,773
Total	<u>\$ 154,092,445</u>	<u>\$ 785,773</u>	<u>\$ 8,051,017</u>	<u>\$ 146,827,201</u>

NOTE 5 FUND BALANCES

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. A description of deficit balance restrictions is included herein since the District has specific statutory authority to levy taxes for such deficits.

Restricted, Committed, and Assigned fund balances at June 30, 2019 are as follows:

- A. Restricted Capital Projects Levy – This amount represents resources from the capital projects levy to be used for building construction and other projects under Minnesota Statutes.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 FUND BALANCES (CONTINUED)

- B. Restricted for Operating Capital – This balance represents amounts available for capital expenditure equipment purchases, facility projects and personnel costs directly related to acquisition, operation, and maintenance of computers, related equipment, and network and applications software. Revenue to finance these expenditures is derived primarily from state aid revenue.
- C. Restricted for Community Education – This amount represents available resources for community education classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits, and supplies. The account is allowed to go into a deficit to the extent there is future revenues to eliminate the deficit.
- D. Restricted for Early Childhood and Family Education (ECFE) – This amount represents available resources for ECFE classes. Revenues are derived from local tax levies and state aids and expenditures are for salaries, benefits, and supplies. The account is allowed to go into a deficit to the extent there is future revenues to eliminate the deficit.
- E. Restricted for Area Learning Center – This represents amounts restricted for students attending area-learning centers. Each district that sends students to an area learning center must reserve an amount equal to at least 90% of the district average General Education Revenue, minus .0485 times the formula allowance per pupil unit, times the number of pupils attending area learning centers. Refer to Minnesota Statute §123A.05, Subd. 2.
- F. Restricted for School Readiness – This amount represents available resources to provide services for learning readiness programs.
- G. Restricted for Long-Term Facilities Maintenance – This amount represents resources to be used for LTFM projects in accordance with the 10-year plan.
- H. 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.
- I. Committed for Program Carryover – Noncapital – Represents noncapital amounts allocated to the District's budget units which were unspent during the year.
- J. Committed for Program Carryover – Facilities Rental – Represents facilities rental amounts allocated to the District's budget units which were unspent during the year.
- K. Committed for Pro Pay Program – Represents amounts that are committed for professional development through the District's Q-Comp Program.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS PLANS

At June 30, 2018, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*. The District engaged an actuary to determine the District's liability for postemployment healthcare benefits other than pensions.

A. Plan Description

The District provides postemployment insurance benefits to certain eligible employees through its Other Postemployment Benefits Plan, a single-employer defined benefit plan administered by the District. All postemployment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report.

Employees that meet certain age and/or length of service requirements are eligible for postretirement healthcare benefits. For teachers hired before July 1, 1989 and certain other employee groups, the District is contractually required to pay health insurance premiums for the period from retirement until eligibility for Medicare. The amount to be paid is equal to the single coverage insurance premium benefit available to full-time employees in the bargaining group.

The District is legally required to include any retirees for 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.

The District plan has 1,344 plan participants. 1,283 of these participants are active, 56 are retirees receiving payments, and the remaining 5 are spouses receiving payments.

B. Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the District. The District issued \$18,580,000 of general obligation OPEB bonds in 2009 and contributed the proceeds to a revocable trust account to be used for other postemployment benefit (OPEB) payments. The District has established a separate internal service fund to account for these obligations and the assets accumulated to finance them.

The OPEB trust does not meet criteria for GASB 74 because it is a revocable trust.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

C. Actuarial Methods and Assumptions

The District's OPEB liability was measured as of July 1, 2018, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation as of July 1, 2017.

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

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	3.40%
20-Year Municipal Bond Yield	3.40%
Health Care Trend Rates	6.25% Decreasing to 5.00% Over 5 Years

Mortality rates were based on the RP-2014 White Collar mortality tables (de-trended to 2006) and then projected beyond the valuation date using scale MP-2016.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2017.

The discount rate used to measure the total OPEB liability was 3.40%. Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year Municipal Bond Yield.

Since the most recent GASB Statement No. 45, *Other Postemployment Benefits* 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 projected with scale MP-2015 to the RP-2014 White Collar Mortality Tables (de-trended to 2006) and then projected beyond the valuation date using scale MP-2016.
- The discount rate was changed from 3.5 % to 3.4 %.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

D. Changes in the OPEB Liability

The following table shows the components of the changes in the District's OPEB Liability:

Measurement Date	<u>July 1, 2018</u>
Total OPEB Liability	
Service Cost	\$ 606,199
Interest	338,690
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments	<u>(714,584)</u>
Net Change in Total OPEB Liability	<u>230,305</u>
Total OPEB Liability - Beginning	<u>9,709,574</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 9,939,879</u></u>

E. OPEB Liability Sensitivity

The following presents the OPEB liability if the District, as well as what the District's OPEB 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:

	<u>1% Decrease (2.4%)</u>	<u>Discount Rate (3.4%)</u>	<u>1% Increase (4.4%)</u>
Net OPEB Liability	\$ 10,511,865	\$ 9,939,879	\$ 9,385,863

The following presents the OPEB liability of the District, as well as what the District's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.25% decreasing to 4.00% over 5 years) or 1% point higher (7.25% decreasing to 6.00% over 5 years) than the current healthcare cost trend rates:

	<u>Healthcare Cost</u>		
	<u>1% Decrease (5.25% Decreasing to 4.00% over 5 Years)</u>	<u>Current Trend Rates (6.25% Decreasing to 5.00% over 5 Years)</u>	<u>1% Increase (7.25% Decreasing to 6.00% over 5 Years)</u>
Net OPEB Liability	\$ 9,066,108	\$ 9,939,879	\$ 10,954,056

F. OPEB Liability Costs

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,174,779 in the OPEB revocable trust, and a reduction to OPEB expense of \$294,695 when booking the change in the liability and related deferred outflows of resources for the year ended June 30, 2019. At June 30, 2019, the District reported no deferred inflows of resources and \$1,137,017 of deferred outflows of resources resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ending June 30, 2020.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS

Substantially all employees of the District are required by state law to belong to pension plans administered by Teachers' Retirement Association (TRA) or Public Employees' Retirement Association (PERA), all of which are administered on a statewide basis. Disclosures relating to these plans follow:

A. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association 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 (General Employees 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).

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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

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 one percent 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.

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

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INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

2. TRA Benefits (Continued)

Tier 1 Benefits (Continued)

With these provisions:

- (a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- (b) 3% per year early retirement reduction factor for all years under normal retirement age.
- (c) Unreduced benefits for early retirement under a Rule-of-90 (age plus allowable service equals 90 or more).

or

Tier II Benefits

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

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

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 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 \$1,513,269. The District's contributions were equal to the required contributions as set by state statute.

2. TRA Contributions

Per Minnesota Statutes, Chapter 354 sets the contribution rates for employees and employers. Rates for fiscal year 2019 were:

	2019	
	Employee	Employer
Basic	11.00 %	11.71 %
Coordinate	7.50 %	7.71 %

The District's contributions to TRA for the plan's fiscal year ended June 30, 2019, were \$4,651,029. The District's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

1. General Employees Plan Pension Costs

At June 30, 2019, the District reported a liability of \$16,798,103 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 nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled \$550,951, for a total net pension liability of \$17,349,054 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 0.3028% which was a decrease of 0.0045% from its proportionate share measured as of June 30, 2017.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

1. General Employees Plan Pension Costs (Continued)

For the year ended June 30, 2019, the District recognized pension expense of \$721,771 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$128,481 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual		
Economic Experience	\$ 444,619	\$ 489,928
Changes in Actuarial Assumptions	1,604,645	1,887,446
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	1,716,500
Changes in Proportion and Differences		
Between District Contributions and		
Proportionate Share of Contributions	429,865	379,244
District Contributions Subsequent to the		
Measurement Date	1,513,269	-
Total	<u>\$ 3,992,398</u>	<u>\$ 4,473,118</u>

A total of \$1,513,269 reported as deferred outflows of resources related to pensions resulting from District contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2020	\$ 558,160
2021	(766,065)
2022	(1,435,478)
2023	(350,606)
2024	-
Thereafter	-

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs

At June 30, 2019, the District reported a liability of \$65,576,988 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 1.0441% at the end of the measurement period and 1.0605% at 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	\$ 65,576,988
State's Proportionate Share of the Net Pension Liability Associated with the District	6,161,373
Total Net Pension Liability	\$ 71,738,361

For the year ended June 30, 2019, the District recognized negative pension expense of \$24,153,251. It also recognized \$371,555 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	\$ 699,457	\$ 1,322,469
Changes in Actuarial Assumptions	84,672,029	111,816,900
Net Difference Between Projected and Actual Earnings on Plan Investments	-	5,085,485
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	149,498	4,221,085
District Contributions Subsequent to the Measurement Date	4,651,029	-
Total	\$ 90,172,013	\$ 122,445,939

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

2. TRA Pension Costs (Continued)

A total of \$4,651,029 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:

Year Ending June 30,	Pension Expense Amount
2020	\$ 5,272,017
2021	2,864,949
2022	(1,293,969)
2023	(25,715,393)
2024	(18,052,559)
Thereafter	-

E. Actuarial Assumptions

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

Assumptions	GERF	TRA
Inflation	2.50% per Year	2.50% per Year
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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 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. Postretirement 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 General Employees Plan occurred in 2018:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement 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 2017:

- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Actuarial Assumptions (Continued)

- The employer contribution rate is increased each July 1 over the next 5 years, (7.92% in 2019, 8.13% in 2020, 8.34% 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%.

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	-
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).

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

G. Pension Liability Sensitivity

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

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
<u>GERF Discount Rate</u>	6.50%	7.50%	8.50%
District's Proportionate Share of the GERF Net Pension Liability	\$ 30,428,711	\$ 16,798,103	\$ 10,767,159
<u>TRA Discount Rate</u>	6.50%	7.50%	8.50%
District's Proportionate Share of the TRA Net Pension Liability	\$ 104,070,414	\$ 65,576,988	\$ 33,820,165

H. Pension Plan Fiduciary Net Position

Detailed information about the General Employees Plan's fiduciary net position is available in a separately issued PERA financial report. That report may be obtained on the internet at www.mnpera.org.

Detailed information about TRA's fiduciary net position is available in a separately issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org; by writing to TRA at 60 Empire Drive #400, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-2409 or 1-800-657-3669.

NOTE 8 FLEXIBLE BENEFIT PLANS

The District has a flexible benefit plan classified as a "cafeteria plan" (the Plan) under §125 of the Internal Revenue Code. 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 pre-tax dollars withheld from payroll checks to the Plan for health insurance, healthcare, and dependent care benefits. 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 pre-tax 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 FLEXIBLE BENEFIT PLANS (CONTINUED)

The dependent care and medical expense reimbursement portions of the Plan are administered by an independent contract administrator, with the activity reported by the District in an employee benefits trust fund. Health insurance premium reimbursements are administered by the District and are accounted for in the District's General Fund and special revenue 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 DENTAL SELF-INSURANCE PLAN

The District established an Internal Service Fund to account for and finance its uninsured risk of loss for employee dental insurance plans. Under these plans, the Internal Service Fund provides coverage to participating employees and their dependents for various dental costs as described in the plan. There have been no significant reductions in insurance coverage from the prior year.

The District makes premium payments to the Internal Service Fund on behalf of the 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 year were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance At Fiscal Year End</u>
2019	\$ 44,173	\$ 888,993	\$ 915,135	\$ 18,031
2018	22,612	929,348	907,787	44,173
2017	51,907	884,792	914,087	22,612

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 HEALTH SELF-INSURANCE PLAN

The District's health benefits plan is a partially self-insured plan and maintains an Internal Service Fund to account for and finance a program for health benefits. Under the health benefits plan, the District is self-insured for the first \$5,000 for single coverage and \$10,000 for family coverage. Amounts in excess of these amounts are covered by the District's health insurance provider. The District has not purchased outside insurance for the risks of losses to which it is exposed for amounts under these limits. District management believes it is more economical to manage its risks internally and set aside assets for claim settlement. The Internal Service Fund currently services all claims and risk of loss to which the District is exposed for health expenses. There have been no significant reductions in insurance coverage from the prior year.

Participants in the program make premium payments to the fund based on the component insurance premium which takes into account the aforementioned risk. The excess amount received above current year claims is used to establish a reserve for future claims. The District had pre-funded the self-insurance fund with an initial transfer of \$2,600,000 at June 30, 2010. At June 30, 2019, there is a reserve of \$8,097,402 resulting from fund operations.

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

Premiums received through June 30, 2019 were in excess of claims paid by \$804,654. There is a possibility for loss if claims are in excess of the premiums collected up to the amounts covered by the District for single and family coverage. The District held \$13,836,262 in cash and investments at June 30, 2019, for payment of claims and carryover balances.

Changes in the balance of medical claim liabilities for the year were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance At Fiscal Year End</u>
2019	\$ 1,183,185	\$ 20,668,436	\$ 19,900,162	\$ 1,951,459
2018	1,288,516	20,249,419	20,354,750	1,183,185
2017	1,305,061	18,883,685	18,900,230	1,288,516

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 11 STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Budget

Expenditures exceeded budgeted amounts in the following funds at June 30, 2019.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue Funds:			
Community Service Fund	\$ 6,931,977	\$ 7,334,613	\$ 402,636
Debt Service Fund	11,101,798	11,104,173	2,375

The overages were considered by District management to be the result of necessary expenditures critical to operations approved by the Board.

NOTE 12 COMMITMENTS AND CONTINGENCIES

A. Federal and State Revenues

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable 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.

B. Legal Claims

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

NOTE 13 LEASE REVENUE

In September 2012, the District entered into a lease agreement with Intermediate School District 917 to lease space within the District's Cedar School to I.S.D. 917. The term of the lease extends 10 years, ending on June 30, 2022. Minimum base rent per the lease agreement is \$16,222 per month through June 30, 2015, and the monthly payment increases by \$270 each additional year thereafter. The lease also includes common area maintenance payments to be paid by the lessor at a rate of \$8,021 per month.

REQUIRED SUPPLEMENTARY INFORMATION

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2019**

Measurement Date	July 1, 2018	July 1, 2017
Total OPEB Liability		
Service Cost	\$ 606,199	\$ 588,543
Interest	338,690	334,217
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	-
Changes of Assumptions	-	-
Benefit Payments	(714,584)	(901,552)
Net Change in Total OPEB Liability	230,305	21,208
Total OPEB Liability - Beginning	9,709,574	9,688,366
Total OPEB Liability - Ending (a)	\$ 9,939,879	\$ 9,709,574
Covered-Employee Payroll	\$ 75,383,452	\$ 73,187,817
 District's Total OPEB Liability as a Percentage of Covered-Employee Payroll	13%	13%

Note: The District implemented GASB Statement No. 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
TRA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST FIVE MEASUREMENT PERIODS ***

	Measurement Date				
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's Proportion of the Net Pension Liability	1.0441%	1.0605%	1.0785%	1.1189%	1.1800%
District's Proportionate Share of the Net Pension Liability	\$ 65,576,988	\$ 211,695,037	\$ 257,247,983	\$ 69,215,031	\$ 54,373,550
State's Proportionate Share of the Net Pension Liability Associated with District	6,161,373	20,463,614	25,822,002	8,489,588	3,825,072
Total	<u>\$ 71,738,361</u>	<u>\$ 232,158,651</u>	<u>\$ 283,069,985</u>	<u>\$ 77,704,619</u>	<u>\$ 58,198,622</u>
District's Covered Payroll	\$ 57,861,520	\$ 57,279,773	\$ 56,085,280	\$ 56,788,600	\$ 53,863,414
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Employee Payroll	113.33%	369.58%	458.67%	121.88%	100.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.07%	51.57%	44.88%	76.80%	81.50%

Note: 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
TRA SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST SIX FISCAL YEARS ENDED JUNE 30***

	Fiscal Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 4,651,029	\$ 4,339,614	\$ 4,295,983	\$ 4,206,396	\$ 4,259,145	\$ 3,770,439
Contributions in Relation to the Statutorily Required Contribution	(4,651,029)	(4,339,614)	(4,295,983)	(4,206,396)	(4,259,145)	(3,770,439)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 60,324,630	\$ 57,861,520	\$ 57,279,773	\$ 56,085,280	\$ 56,788,600	\$ 53,863,414
Contributions as a Percentage of Employee Payroll	7.71%	7.50%	7.50%	7.50%	7.50%	7.00%

Note: 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
PERA SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST FIVE MEASUREMENT PERIODS***

	Measurement Date				
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
District's Proportion of the Net Pension Liability	0.3028%	0.3073%	0.2932%	0.3049%	0.3144%
District's Proportionate Share of the Net Pension Liability	\$ 16,798,103	\$ 19,617,829	\$ 23,806,386	\$ 15,801,500	\$ 14,768,937
State's Proportionate Share of the Net Pension Liability					
Associated with District	550,951	246,666	310,890	-	-
Total	<u>\$ 17,349,054</u>	<u>\$ 19,864,495</u>	<u>\$ 24,117,276</u>	<u>\$ 15,801,500</u>	<u>\$ 14,768,937</u>
District's Covered Payroll	\$ 20,481,240	\$ 19,893,240	\$ 18,288,267	\$ 17,923,892	\$ 16,502,952
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Employee Payroll	82.02%	98.62%	130.17%	88.16%	89.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.53%	75.90%	68.90%	78.20%	78.70%

Note: 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
PERA SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST SIX FISCAL YEARS ENDED JUNE 30***

	Fiscal Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 1,513,269	\$ 1,536,093	\$ 1,491,993	\$ 1,371,620	\$ 1,321,887	\$ 1,196,464
Contributions in Relation to the Statutorily Required Contribution	(1,513,269)	(1,536,093)	(1,491,993)	(1,371,620)	(1,321,887)	(1,196,464)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 20,176,920	\$ 20,481,240	\$ 19,893,240	\$ 18,288,267	\$ 17,923,892	\$ 16,502,952
Contributions as a Percentage of Employee Payroll	7.50%	7.50%	7.50%	7.50%	7.38%	7.25%

Note: 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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO DISTRICT'S PENSION REQUIRED SUPPLEMENTARY INFORMATION**

CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30:

2018

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed postretirement benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

2017

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

2016

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

The following changes were reflected in the valuation performed on behalf of the Teachers Retirement Association for the year ended June 30:

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.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NOTES TO DISTRICT'S PENSION REQUIRED SUPPLEMENTARY INFORMATION**

CHANGES IN SIGNIFICANT PENSION PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2018 (Continued)

- 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 5 years, (7.92% in 2019, 8.13% in 2020, 8.34% 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%.

2017

- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 3.5% to 3.0%.
- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The long-term expected rate of return was decreased from 8.0% to 7.5%.
- The single discount rate was changed from 4.66% to 5.12%.

2016

- Postretirement benefit adjustments are now assumed to stay level at 2.0% annually.
- The single discount rate was changed from 8.0% to 4.66%.
- The price inflation assumption was lowered from 3.0% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.

SUPPLEMENTARY INFORMATION

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
GENERAL FUND
BALANCE SHEET
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	2019	2018
ASSETS		
Cash and Investments	\$ 28,906,674	\$ 29,464,326
Receivables:		
Current Taxes	16,150,209	16,371,774
Delinquent Taxes	312,349	375,744
Accounts and Interest Receivable	251,735	91,180
Due from Other Minnesota School Districts	86,020	29,722
Due from Minnesota Department of Education	8,413,915	8,077,959
Due from Federal Through the Minnesota Department of Education	1,271,035	1,057,047
Due from Other Governmental Units	20,364	11,959
Due from Other Funds	-	836,025
Prepays	469,392	374,535
Total Assets	\$ 55,881,693	\$ 56,690,271
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 4,678,544	\$ 5,829,367
Payroll Deductions and Employer Contributions Payable	6,477,345	6,053,659
Accounts and Contracts Payable	1,679,923	1,560,946
Due to Other Minnesota School Districts	310,625	158,188
Due to Other Governmental Units	60,305	49,528
Due to Other Funds	259,545	-
Unearned Revenue	681	32,386
Total Liabilities	13,466,968	13,684,074
Deferred Inflows:		
Unavailable Revenue - Property Taxes Levied for Subsequent Year	26,949,893	26,858,816
Unavailable Revenue - Delinquent Taxes	180,433	332,177
Total Deferred Inflows of Resources	27,130,326	27,190,993
Fund Balance:		
Nonspendable:		
Prepays	469,392	374,535
Restricted for:		
Capital Projects Levy	289,900	342,560
Operating Capital	2,995,868	2,701,480
Area Learning Center	2,561,970	1,114,367
Committed for:		
Program Carryover - Non Capital	800,655	748,055
Program Carryover - Facilities Rental	356,530	243,297
Pro Pay Program	393,009	266,452
Unassigned	7,417,075	10,024,458
Total Fund Balance	15,284,399	15,815,204
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 55,881,693	\$ 56,690,271

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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
REVENUES				
Local Sources:				
Property Taxes	\$ 30,466,716	\$ 30,501,788	\$ 35,072	\$ 26,115,688
Earnings and Investments	90,000	715,087	625,087	124,827
Other	2,997,738	2,083,944	(913,794)	2,599,204
State Sources	92,519,245	94,084,001	1,564,756	92,932,943
Federal Sources	4,516,741	4,154,299	(362,442)	4,008,431
Total Revenues	<u>130,590,440</u>	<u>131,539,119</u>	<u>948,679</u>	<u>125,781,093</u>
EXPENDITURES				
Current:				
Administration:				
Salaries	4,072,076	4,089,176	17,100	3,898,387
Employee Benefits	1,423,486	1,392,297	(31,189)	1,412,523
Purchased Services	172,971	100,779	(72,192)	192,035
Supplies and Materials	143,885	129,929	(13,956)	108,516
Capital Expenditures	91,435	50,582	(40,853)	33,383
Other Expenditures	57,767	62,764	4,997	69,067
Total Administration	<u>5,961,620</u>	<u>5,825,527</u>	<u>(136,093)</u>	<u>5,713,911</u>
District Support Services:				
Salaries	2,581,470	1,994,594	(586,876)	2,583,849
Employee Benefits	1,019,919	704,748	(315,171)	1,004,455
Purchased Services	991,746	590,855	(400,891)	1,278,767
Supplies and Materials	113,040	50,521	(62,519)	60,913
Capital Expenditures	126,540	128,563	2,023	117,584
Other Expenditures	12,422	55,689	43,267	99,878
Total District Support Services	<u>4,845,137</u>	<u>3,524,970</u>	<u>(1,320,167)</u>	<u>5,145,446</u>
Elementary and Secondary Regular Instruction:				
Salaries	38,111,474	36,093,705	(2,017,769)	35,905,034
Employee Benefits	15,219,049	15,141,701	(77,348)	14,775,021
Purchased Services	2,191,339	2,950,379	759,040	2,927,778
Supplies and Materials	836,783	1,394,639	557,856	1,539,912
Capital Expenditures	44,771	147,489	102,718	108,933
Other Expenditures	251,180	235,631	(15,549)	250,909
Total Elementary and Secondary Regular Instruction	<u>56,654,596</u>	<u>55,963,544</u>	<u>(691,052)</u>	<u>55,507,587</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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
EXPENDITURES (Continued)				
Current (Continued):				
Vocational Education Instruction:				
Salaries	\$ 1,315,701	\$ 1,319,809	\$ 4,108	\$ 1,374,506
Employee Benefits	549,909	570,452	20,543	575,060
Purchased Services	129,000	91,031	(37,969)	147,850
Supplies and Materials	43,700	47,370	3,670	44,929
Capital Expenditures	-	9,727	9,727	143,015
Other Expenditures	5,400	7,651	2,251	7,950
Total Vocational Education Instruction	<u>2,043,710</u>	<u>2,046,040</u>	<u>2,330</u>	<u>2,293,310</u>
Special Education Instruction:				
Salaries	17,312,018	16,709,891	(602,127)	16,137,008
Employee Benefits	7,011,799	7,123,502	111,703	7,009,670
Purchased Services	808,701	1,231,503	422,802	1,186,748
Supplies and Materials	235,178	155,939	(79,239)	244,686
Capital Expenditures	15,300	24,338	9,038	69,397
Other Expenditures	182,715	177,913	(4,802)	189,818
Total Special Education Instruction	<u>25,565,711</u>	<u>25,423,086</u>	<u>(142,625)</u>	<u>24,837,327</u>
Instructional Support Services:				
Salaries	8,336,549	8,583,452	246,903	7,971,256
Employee Benefits	2,026,746	2,342,219	315,473	1,838,254
Purchased Services	900,137	747,891	(152,246)	537,980
Supplies and Materials	576,550	456,791	(119,759)	502,185
Capital Expenditures	1,564,845	1,697,300	132,455	1,429,780
Other Expenditures	29,500	75,214	45,714	38,536
Total Instructional Support Services	<u>13,434,327</u>	<u>13,902,867</u>	<u>468,540</u>	<u>12,317,991</u>
Pupil Support Services:				
Salaries	1,887,795	2,185,495	297,700	2,223,684
Employee Benefits	800,753	793,009	(7,744)	942,644
Purchased Services	8,476,828	8,537,743	60,915	8,273,804
Supplies and Materials	320,481	307,658	(12,823)	423,102
Capital Expenditures	1,500	2,252	752	2,313
Other Expenditures	12,110	60,882	48,772	14,509
Total Pupil Support Services	<u>11,499,467</u>	<u>11,887,039</u>	<u>387,572</u>	<u>11,880,056</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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		Over (Under) Final Budget	2018
	Final Budget	Actual Amounts		Actual Amounts
EXPENDITURES (Continued)				
Current (Continued):				
Sites and Buildings:				
Salaries	\$ 4,111,742	\$ 4,033,372	\$ (78,370)	\$ 4,003,637
Employee Benefits	1,841,193	1,715,408	(125,785)	1,802,520
Purchased Services	3,564,185	3,699,113	134,928	2,996,041
Supplies and Materials	509,300	670,133	160,833	712,256
Capital Expenditures	1,973,653	2,583,331	609,678	1,892,335
Other Expenditures	88,178	20,590	(67,588)	20,582
Total Sites and Buildings	<u>12,088,251</u>	<u>12,721,947</u>	<u>633,696</u>	<u>11,427,371</u>
Fiscal and Other Fixed Costs:				
Purchased Services	427,500	336,761	(90,739)	313,683
Debt Service:				
Principal	385,495	385,495	-	592,595
Interest and Fiscal Charges	59,013	59,012	(1)	94,259
Total Debt Service	<u>444,508</u>	<u>444,507</u>	<u>(1)</u>	<u>686,854</u>
Total Expenditures	<u>132,964,827</u>	<u>132,076,288</u>	<u>(888,539)</u>	<u>130,123,536</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,374,387)	(537,169)	1,837,218	(4,342,443)
OTHER FINANCING SOURCES				
Insurance Recovery	-	6,364	6,364	40,916
NET CHANGE IN FUND BALANCE	<u>\$ (2,374,387)</u>	(530,805)	<u>\$ 1,843,582</u>	(4,301,527)
FUND BALANCE				
Beginning of Year		15,815,204		20,116,731
End of Year		<u>\$ 15,284,399</u>		<u>\$ 15,815,204</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
FOOD SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	2019	2018
ASSETS		
Cash and Investments	\$ 1,132,170	\$ 1,457,349
Receivables:		
Accounts and Interest Receivable	96,484	-
Due from Minnesota Department of Education	5,540	-
Due from Federal Through the Minnesota Department of Education	140,002	42,446
Inventory	125,257	189,270
Total Assets	\$ 1,499,453	\$ 1,689,065
LIABILITIES AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 180,010	\$ 169,507
Payroll Deductions and Employer Contributions Payable	170,667	163,091
Accounts and Contracts Payable	37,567	78,910
Unearned Revenue	97,031	41,215
Total Liabilities	485,275	452,723
Fund Balance:		
Nonspendable:		
Inventory	125,257	189,270
Restricted for:		
Other Purposes	888,921	1,047,072
Total Fund Balance	1,014,178	1,236,342
Total Liabilities and Fund Balance	\$ 1,499,453	\$ 1,689,065

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
FOOD SERVICE SPECIAL REVENUE 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
REVENUES				
Local Sources:				
Earnings and Investments	\$ 10,000	\$ 20,013	\$ 10,013	\$ 37,772
Other - Primarily Meal Sales	1,828,218	1,606,824	(221,394)	1,707,692
State Sources	303,440	301,244	(2,196)	301,926
Federal Sources	3,887,524	3,784,244	(103,280)	3,766,376
Total Revenues	<u>6,029,182</u>	<u>5,712,325</u>	<u>(316,857)</u>	<u>5,813,766</u>
EXPENDITURES				
Current:				
Salaries	2,202,025	2,491,018	288,993	2,280,358
Employee Benefits	721,755	715,683	(6,072)	695,458
Purchased Services	302,750	218,069	(84,681)	310,769
Supplies and Materials	2,726,896	2,470,017	(256,879)	2,528,783
Other Expenditures	13,047	8,114	(4,933)	14,527
Capital Outlay	336,000	31,588	(304,412)	113,273
Total Expenditures	<u>6,302,473</u>	<u>5,934,489</u>	<u>(367,984)</u>	<u>5,943,168</u>
NET CHANGE IN FUND BALANCE	<u>\$ (273,291)</u>	(222,164)	<u>\$ 51,127</u>	(129,402)
FUND BALANCE				
Beginning of Year		<u>1,236,342</u>		<u>1,365,744</u>
End of Year		<u>\$ 1,014,178</u>		<u>\$ 1,236,342</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
COMMUNITY SERVICE SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and Investments	\$ 1,508,690	\$ 1,669,941
Receivables:		
Current Taxes	817,909	756,105
Delinquent Taxes	15,579	21,312
Accounts and Interest Receivable	22,769	63,545
Due from Minnesota Department of Education	135,500	134,546
Due from Federal Through the Minnesota Department of Education	14,769	2,032
Due from Other Governmental Units	-	320
Prepays	<u>1,348</u>	<u>1,347</u>
Total Assets	<u><u>\$ 2,516,564</u></u>	<u><u>\$ 2,649,148</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Salaries and Compensated Absences Payable	\$ 158,649	\$ 199,230
Payroll Deductions and Employer Contributions Payable	148,811	119,021
Accounts and Contracts Payable	64,196	130,233
Due to Other Governmental Units	44	-
Unearned Revenue	<u>271,913</u>	<u>361,886</u>
Total Liabilities	643,613	810,370
Deferred Inflows:		
Property Taxes Levied for Subsequent Year	1,543,821	1,411,983
Unavailable Revenue - Delinquent Taxes	<u>9,288</u>	<u>18,687</u>
Total Deferred Inflows of Resources	1,553,109	1,430,670
Fund Balance:		
Nonspendable:		
Prepays	1,348	1,347
Restricted for:		
Early Childhood and Family Education	-	55,133
School Readiness	<u>318,494</u>	<u>351,628</u>
Total Fund Balance	<u>319,842</u>	<u>408,108</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 2,516,564</u></u>	<u><u>\$ 2,649,148</u></u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
COMMUNITY SERVICE SPECIAL REVENUE 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		Over (Under) Final Budget	2018
	Final Budget	Actual Amounts		Actual Amounts
REVENUES				
Local Sources:				
Property Taxes	\$ 1,411,983	\$ 1,413,236	\$ 1,253	\$ 1,548,150
Earnings and Investments	5,000	18,990	13,990	41,343
Other - Primarily Tuition and Fees	3,581,250	4,038,813	457,563	4,013,278
State Sources	1,789,230	1,728,066	(61,164)	1,709,718
Federal Sources	47,550	47,242	(308)	31,571
Total Revenues	<u>6,835,013</u>	<u>7,246,347</u>	<u>411,334</u>	<u>7,344,060</u>
EXPENDITURES				
Current:				
Salaries	4,076,805	4,346,786	269,981	4,328,238
Employee Benefits	1,553,848	1,575,330	21,482	1,517,289
Purchased Services	843,548	944,823	101,275	1,059,354
Supplies and Materials	388,326	433,138	44,812	512,865
Other Expenditures	14,950	24,628	9,678	25,955
Capital Outlay	54,500	9,908	(44,592)	102,045
Total Expenditures	<u>6,931,977</u>	<u>7,334,613</u>	<u>402,636</u>	<u>7,545,746</u>
NET CHANGE IN FUND BALANCE	<u>\$ (96,964)</u>	<u>(88,266)</u>	<u>\$ 8,698</u>	<u>(201,686)</u>
FUND BALANCE				
Beginning of Year		<u>408,108</u>		<u>609,794</u>
End of Year		<u>\$ 319,842</u>		<u>\$ 408,108</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
CAPITAL PROJECTS – BUILDING CONSTRUCTION FUND
BALANCE SHEET
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	2019	2018
ASSETS		
Cash and Investments	\$ 2,801,506	\$ 3,937,307
Receivables:		
Accounts and Interest Receivable	-	208
Total Assets	\$ 2,801,506	\$ 3,937,515
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts and Contracts Payable	\$ 693	\$ 183,119
Fund Balance:		
Restricted for:		
Restricted for Long-Term Facilities Maintenance	296,436	510,737
Restricted for Other Purposes	2,504,377	3,243,659
Total Fund Balance	2,800,813	3,754,396
Total Liabilities and Fund Balance	\$ 2,801,506	\$ 3,937,515

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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
REVENUES				
Local Sources:				
Earnings and Investments	\$ 10,000	\$ 60,454	\$ 50,454	\$ 52,852
Other	-	-	-	67,131
Total Revenues	<u>10,000</u>	<u>60,454</u>	<u>50,454</u>	<u>119,983</u>
EXPENDITURES				
Current:				
Purchased Services	2,000,000	10,400	(1,989,600)	113,840
Capital Outlay	-	1,003,637	1,003,637	2,592,511
Total Expenditures	<u>2,000,000</u>	<u>1,014,037</u>	<u>(985,963)</u>	<u>2,706,351</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (1,990,000)</u></u>	<u>(953,583)</u>	<u><u>\$ 1,036,417</u></u>	<u>(2,586,368)</u>
FUND BALANCE				
Beginning of Year		<u>3,754,396</u>		<u>6,340,764</u>
End of Year		<u><u>\$ 2,800,813</u></u>		<u><u>\$ 3,754,396</u></u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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
ASSETS				
Cash and Investments	\$ 5,673,226	\$ 889,274	\$ 6,562,500	\$ 7,895,970
Receivables:				
Current Taxes	5,495,814	743,127	6,238,941	5,604,119
Delinquent Taxes	102,368	16,806	119,174	156,745
Due from Other Minnesota School Districts	-	-	-	51,369
Due from Minnesota Department of Education	65,839	-	65,839	59,681
Prepays	2,192,748	133,031	2,325,779	-
	<u>\$ 13,529,995</u>	<u>\$ 1,782,238</u>	<u>\$ 15,312,233</u>	<u>\$ 13,767,884</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Deferred Inflows:				
Property Taxes Levied for Subsequent Year	\$ 10,372,592	\$ 1,402,667	\$ 11,775,259	\$ 10,465,372
Unavailable Revenue - Delinquent Taxes	61,566	10,437	72,003	140,522
Total Deferred Inflows of Resources	10,434,158	1,413,104	11,847,262	10,605,894
Fund Balance:				
Nonspendable:				
Prepays	2,192,748	133,031	2,325,779	-
Restricted for:				
Restricted for Other Purposes	903,089	236,103	1,139,192	3,161,990
Total Fund Balance	3,095,837	369,134	3,464,971	3,161,990
	<u>\$ 13,529,995</u>	<u>\$ 1,782,238</u>	<u>\$ 15,312,233</u>	<u>\$ 13,767,884</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 13,529,995</u>	<u>\$ 1,782,238</u>	<u>\$ 15,312,233</u>	<u>\$ 13,767,884</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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	
	Final Budgeted Amounts	Regular Debt Service	OPEB Debt Service	Total Actual Amounts	Over (Under) Final Budget	Actual Amounts
REVENUES						
Local Sources:						
Property Taxes	\$ 10,465,369	\$ 9,073,187	\$ 1,397,086	\$ 10,470,273	\$ 4,904	\$ 10,433,697
Earnings and Investments	-	82,614	14,818	97,432	97,432	397,015
Other	207,638	190,336	-	190,336	(17,302)	221,697
State Sources	-	649,113	-	649,113	649,113	613,897
Total Revenues	<u>10,673,007</u>	<u>9,995,250</u>	<u>1,411,904</u>	<u>11,407,154</u>	<u>734,147</u>	<u>11,666,306</u>
EXPENDITURES						
Debt Service:						
Bond Principal	6,335,000	5,210,000	1,125,000	6,335,000	-	5,445,000
Bond Interest	4,766,798	4,487,798	279,000	4,766,798	-	6,347,798
Paying Agent Fees and Other	-	1,900	475	2,375	2,375	2,250
Total Expenditures	<u>11,101,798</u>	<u>9,699,698</u>	<u>1,404,475</u>	<u>11,104,173</u>	<u>2,375</u>	<u>11,795,048</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(428,791)	295,552	7,429	302,981	731,772	(128,742)
OTHER FINANCING USES						
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(29,330,000)
NET CHANGE IN FUND BALANCE	<u>\$ (428,791)</u>	295,552	7,429	302,981	<u>\$ 731,772</u>	(29,458,742)
FUND BALANCE						
Beginning of Year		<u>2,800,285</u>	<u>361,705</u>	<u>3,161,990</u>		<u>32,620,732</u>
End of Year		<u>\$ 3,095,837</u>	<u>\$ 369,134</u>	<u>\$ 3,464,971</u>		<u>\$ 3,161,990</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2018)**

	Self- Insurance Dental	Self- Insurance Health	Severance Benefits	OPEB Revocable Trust	Totals	
					2019	2018
ASSETS						
Cash and Investments	\$ 275,811	\$ 13,836,262	\$ 3,714,610	\$ 12,072,701	\$ 29,899,384	\$ 29,566,047
Accounts Receivable	195	-	-	-	195	13,646
Interest Receivable	-	-	-	93,038	93,038	140,539
Due from Other Funds	-	259,545	-	-	259,545	668,740
Total Assets	<u>276,006</u>	<u>14,095,807</u>	<u>3,714,610</u>	<u>12,165,739</u>	<u>30,252,162</u>	<u>30,388,972</u>
LIABILITIES						
Current Liabilities:						
Health and Dental Claims Payable	18,031	1,951,459	4,320	-	1,973,810	1,231,594
Due to Plan Participants	-	4,018,505	-	-	4,018,505	3,718,125
Severance Benefits Payable	-	-	217,944	-	217,944	153,851
Due to Other Funds	-	-	-	-	-	1,504,765
Unearned Revenue	6,338	28,441	-	-	34,779	-
Total Current Liabilities	<u>24,369</u>	<u>5,998,405</u>	<u>222,264</u>	<u>-</u>	<u>6,245,038</u>	<u>6,608,335</u>
Noncurrent Liabilities:						
Severance Benefits Payable	-	-	842,226	-	842,226	1,193,312
Total Liabilities	<u>24,369</u>	<u>5,998,405</u>	<u>1,064,490</u>	<u>-</u>	<u>7,087,264</u>	<u>7,801,647</u>
NET POSITION						
Unrestricted	<u>\$ 251,637</u>	<u>\$ 8,097,402</u>	<u>\$ 2,650,120</u>	<u>\$ 12,165,739</u>	<u>\$ 23,164,898</u>	<u>\$ 22,587,325</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Self- Insurance Dental	Self- Insurance Health	Severance Benefits	OPEB Revocable Trust	Total	
					2019	2018
OPERATING REVENUES						
Charges for Services:	\$ 752,917	\$ 21,473,090	\$ -	\$ -	\$ 22,226,007	21,255,474
Other Services	197,649	-	286,993	-	484,642	218,960
Total Operating Revenues	950,566	21,473,090	286,993	-	22,710,649	21,474,434
OPERATING EXPENSES						
Health Insurance Claim Payments	-	20,668,436	-	-	20,668,436	20,249,419
Dental Insurance Claim Payments	888,993	-	-	-	888,993	929,348
Severance Payments	-	-	248,761	-	248,761	347,703
OPEB Payments	-	-	-	1,174,779	1,174,779	650,803
Total Operating Expenses	888,993	20,668,436	248,761	1,174,779	22,980,969	22,177,273
OPERATING INCOME (LOSS)	61,573	804,654	38,232	(1,174,779)	(270,320)	(702,839)
NONOPERATING INCOME						
Earnings on Investments	3,170	215,440	60,344	568,939	847,893	949,840
CHANGE IN NET POSITION	64,743	1,020,094	98,576	(605,840)	577,573	247,001
Net Position - Beginning	186,894	7,077,308	2,551,544	12,771,579	22,587,325	22,340,324
NET POSITION - ENDING	<u>\$ 251,637</u>	<u>\$ 8,097,402</u>	<u>\$ 2,650,120</u>	<u>\$ 12,165,739</u>	<u>\$ 23,164,898</u>	<u>\$ 22,587,325</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED JUNE 30, 2018)**

	Self- Insurance Dental	Self- Insurance Health	Severance Benefits	OPEB Revocable Trust	Totals	
					2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Interfund Services Provided	\$ 970,313	\$ 21,910,768	\$ 286,993	\$ -	\$ 23,168,074	\$ 21,236,002
Payments for Health and Dental Claims	(915,135)	(19,599,782)	-	-	(20,514,917)	(20,655,836)
Payments to Employee OPEB	-	-	-	(2,679,544)	(2,679,544)	(38,786)
Payments for Severance Benefits	-	-	(535,670)	-	(535,670)	(644,815)
Net Cash Provided (Used) by Operating Activities	55,178	2,310,986	(248,677)	(2,679,544)	(562,057)	(103,435)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	3,170	215,440	60,344	616,440	895,394	893,372
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	58,348	2,526,426	(188,333)	(2,063,104)	333,337	789,937
Cash and Cash Equivalents - Beginning	217,463	11,309,836	3,902,943	14,135,805	29,566,047	28,776,110
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 275,811</u>	<u>\$ 13,836,262</u>	<u>\$ 3,714,610</u>	<u>\$ 12,072,701</u>	<u>\$ 29,899,384</u>	<u>\$ 29,566,047</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 61,573	\$ 804,654	\$ 38,232	\$ (1,174,779)	\$ (270,320)	\$ (702,839)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
(Increase) Decrease in Accounts Receivable	13,409	42	-	-	13,451	(8,366)
(Increase) Decrease in Due from Other Funds	-	409,195	-	-	409,195	(230,066)
Increase (Decrease) in Claims Payable	(26,142)	768,274	84	-	742,216	(91,442)
Increase in Due to Plan Participants	-	300,380	-	-	300,380	636,180
Decrease in Severance Benefits Payable	-	-	(286,993)	-	(286,993)	(289,440)
Increase (Decrease) in Due to Other Funds	-	-	-	(1,504,765)	(1,504,765)	582,538
Increase in Unearned Revenues	6,338	28,441	-	-	34,779	-
Total Adjustments	(6,395)	1,506,332	(286,909)	(1,504,765)	(291,737)	599,404
Net Cash Provided (Used) by Operating Activities	<u>\$ 55,178</u>	<u>\$ 2,310,986</u>	<u>\$ (248,677)</u>	<u>\$ (2,679,544)</u>	<u>\$ (562,057)</u>	<u>\$ (103,435)</u>
Total Cash and Investments per Statement of Net Position	<u>\$ 275,811</u>	<u>\$ 13,836,262</u>	<u>\$ 3,714,610</u>	<u>\$ 12,072,701</u>	<u>\$ 29,899,384</u>	<u>\$ 29,566,047</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE
JUNE 30, 2019**

	AUDIT	UFARS	DIFFERENCE
01 GENERAL FUND			
Total Revenue	\$ 131,545,483	\$ 131,545,485	\$ (2)
Total Expenditures	132,076,288	132,076,287	1
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	469,392	469,393	(1)
<i>Restricted:</i>			
403 Staff Development	-	-	-
405 Deferred Maintenance	-	-	-
406 Health and Safety	-	-	-
407 Capital Project Levy	289,900	289,900	-
408 Cooperative Programs	-	-	-
413 Projects Funded by COP	-	-	-
414 Operating Debt	-	-	-
416 Levy Reduction	-	-	-
417 Taconite Building Maintenance	-	-	-
424 Operating Capital	2,995,868	2,995,868	-
426 \$25 Taconite	-	-	-
427 Disabled Accessibility	-	-	-
428 Learning and Development	-	-	-
434 Area Learning Center	2,561,970	2,561,970	-
435 Contracted Alternative Programs	-	-	-
436 State-Approved Alternative Programs	-	-	-
438 Gifted and Talented	-	-	-
440 Teacher Development and Evaluations	-	-	-
441 Basic Skills Programs	-	-	-
445 Career and Technical Programs	-	-	-
448 Achievement and Integration	-	-	-
449 Sage Schools Crime Levy	-	-	-
451 QZAB Payments	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
453 Unfunded Severance & Retirement Levy	-	-	-
464 Restricted Fund Balance	-	-	-
467 LTFM	(321,577)	(321,577)	-
472 Medical Assistance	-	-	-
<i>Committed:</i>			
418 Committed for Separation	-	-	-
461 Committed Fund Balance	1,550,194	1,550,194	-
<i>Assigned:</i>			
462 Assigned Fund Balance	-	-	-
<i>Unassigned:</i>			
422 Unassigned Fund Balance	7,738,652	7,738,652	-
02 FOOD SERVICE			
Total Revenue	5,712,325	5,712,325	-
Total Expenditures	5,934,489	5,934,489	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	125,257	125,257	-
<i>Restricted:</i>			
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	888,921	888,920	1
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
04 COMMUNITY SERVICE			
Total Revenue	7,246,347	7,246,347	-
Total Expenditures	7,334,613	7,334,614	(1)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	1,348	1,347	1
<i>Restricted:</i>			
426 \$25 Taconite	-	-	-
431 Community Education	(24,726)	(24,726)	-
432 E.C.F.E.	-	-	-
440 Teacher Development and Evaluations	-	-	-
444 School Readiness	343,220	343,220	-
447 Adult Basic Education	-	-	-
452 OPEB Liability Not Held in Trust	-	-	-
464 Restricted Fund Balance	-	-	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS
COMPLIANCE TABLE (CONTINUED)
JUNE 30, 2019**

	AUDIT	UFARS	DIFFERENCE
06 BUILDING CONSTRUCTION			
Total Revenue	\$ 60,454	\$ 60,454	\$ -
Total Expenditures	1,014,037	1,014,039	(2)
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	-	-	-
<i>Restricted:</i>			
407 Capital Projects Levy	-	-	-
409 Alternative Facility Program	-	-	-
413 Projects Funded by COP	-	-	-
464 Restricted Fund Balance	2,504,377	2,504,377	-
467 LTFM	296,436	296,436	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
07 DEBT SERVICE			
Total Revenue	9,995,250	9,995,251	(1)
Total Expenditures	9,699,698	9,699,698	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	2,192,748	2,192,748	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
451 QZAB and QSCB Payments	-	-	-
464 Restricted Fund Balance	903,089	903,089	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-
08 TRUST			
Total Revenue	982,758	982,758	-
Total Expenditures	967,125	967,124	1
<i>Net Position:</i>			
422 Net Position	230,447	230,447	-
20 INTERNAL SERVICE			
Total Revenue	22,989,603	22,989,603	-
Total Expenditures	21,806,190	21,806,190	-
<i>Net Position:</i>			
422 Net Position	10,999,159	10,999,159	-
25 OPEB REVOCABLE TRUST			
Total Revenue	568,939	568,939	-
Total Expenditures	1,174,779	1,174,780	(1)
<i>Net Position:</i>			
422 Net Position	12,165,739	12,165,739	-
45 OPEB IRREVOCABLE TRUST			
Total Revenue	-	-	-
Total Expenditures	-	-	-
<i>Net Position:</i>			
422 Net Position	-	-	-
47 OPEB DEBT SERVICE			
Total Revenue	1,411,904	1,411,904	-
Total Expenditures	1,404,475	1,404,475	-
<i>Nonspendable:</i>			
460 Nonspendable Fund Balance	133,031	133,031	-
<i>Restricted:</i>			
425 Bond Refunding	-	-	-
464 Restricted Fund Balance	236,103	236,103	-
<i>Unassigned:</i>			
463 Unassigned Fund Balance	-	-	-

STATISTICAL SECTION (UNAUDITED)

This part of the Independent School District No. 191 comprehensive annual financial report presents detailed information as a context for understanding 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>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	100
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	108
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	116
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	121
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to services the District provides and the activities it performs.	123

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 191
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities				
Net Investment in Capital Assets	\$ 35,667,039	\$ 34,407,587	\$ 33,135,086	\$ 30,342,438
Restricted	1,832,117	2,161,029	5,216,979	6,159,342
Unrestricted	14,610,991	16,668,510	19,384,308	22,916,072
Total Governmental Activities Net Position	\$ 52,110,147	\$ 53,237,126	\$ 57,736,373	\$ 59,417,852

Source: District's financial records.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 30,452,283	\$ 27,062,458	\$ 22,196,478	\$ 17,935,621	\$ 21,465,486	\$ 17,556,925
5,749,042	7,527,306	6,488,027	6,015,244	5,821,544	7,213,277
21,984,806	(58,671,372)	(51,635,923)	(82,095,271)	(132,084,628)	(102,679,715)
<u>\$ 58,186,131</u>	<u>\$ (24,081,608)</u>	<u>\$ (22,951,418)</u>	<u>\$ (58,144,406)</u>	<u>\$ (104,797,598)</u>	<u>\$ (77,909,513)</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
Expenses				
Governmental Activities:				
Administration	\$ 4,849,650	\$ 4,570,736	\$ 4,913,118	\$ 5,017,728
District Support Services	3,361,532	3,551,635	4,003,191	3,558,217
Elementary and Secondary Regular Instruction	50,102,667	50,974,493	50,611,296	50,949,918
Vocational Education Instruction	1,551,879	1,480,298	1,492,225	1,312,146
Special Education Instruction	21,734,681	22,682,654	19,023,796	20,061,117
Instructional Support Services	8,045,291	7,754,442	6,062,033	7,811,846
Pupil Support Services	9,780,469	10,026,146	9,807,447	9,868,782
Sites and Buildings	14,180,528	15,784,580	15,200,182	17,070,641
Fiscal and Other Fixed Cost Programs	202,269	210,020	251,997	295,956
Food Service	4,233,044	4,291,762	4,323,546	4,900,535
Community Service	6,824,402	6,437,058	5,381,854	5,011,420
Interest and Fiscal Charges on Debt	4,177,493	4,141,447	4,601,698	4,274,825
Total Governmental Activities Expenses	<u>129,043,905</u>	<u>131,905,271</u>	<u>125,672,383</u>	<u>130,133,131</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Administration	-	380	544	1,029
District Support Services	-	127,990	134,569	109,146
Regular Instruction	-	1,017,919	806,875	938,224
Vocational Education Instruction	-	14,397	4,577	2,168
Special Education Instruction	-	219,159	258,340	314,860
Instructional Support Services	-	3,932	2,925	777
Pupil Support Services	-	79,144	71,789	53,446
Sites and Buildings	-	166,728	164,797	236,430
Food Service	-	2,059,988	1,949,840	1,961,046
Community Service	-	4,388,387	3,836,094	3,250,050
Charges for Services:	7,950,985	-	-	-
Operating Grants and Contributions	33,468,257	29,054,228	27,077,411	27,428,931
Capital Grants and Contributions	2,406,218	852,644	910,472	903,453
Total Governmental Activities Program Revenue	<u>43,825,460</u>	<u>37,984,896</u>	<u>35,218,233</u>	<u>35,199,560</u>
Net Expense				
Governmental Activities	(85,218,445)	(93,920,375)	(90,454,150)	(94,933,571)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes:				
Property Taxes, Levied for General Purposes	24,227,785	32,482,605	22,636,895	24,589,073
Property Taxes, Levied for Capital Projects	1,659,108	-	-	-
Property Taxes, Levied for Community Service	883,211	1,404,146	941,361	985,656
Property Taxes, Levied for Debt Service	6,721,713	8,134,891	8,522,512	8,982,183
General Grants and Aids	52,784,986	52,461,003	62,107,115	61,702,475
Other General Revenues	96,418	88,302	287,108	278,153
Investment Earnings	473,994	476,407	458,406	77,510
Total Governmental Activities	<u>86,847,215</u>	<u>95,047,354</u>	<u>94,953,397</u>	<u>96,615,050</u>
Change in Net Position	<u>\$ 1,628,770</u>	<u>\$ 1,126,979</u>	<u>\$ 4,499,247</u>	<u>\$ 1,681,479</u>

Source: District's financial records.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	5,222,596	\$	5,495,447	\$	5,372,409	\$	7,177,258	\$	7,064,664	\$	4,498,702
	3,395,055		3,719,700		2,732,153		4,591,300		5,416,849		3,580,259
	51,729,124		52,233,831		51,786,010		84,957,113		84,580,748		46,871,276
	1,236,118		1,376,740		1,399,185		2,662,664		2,727,220		1,425,163
	22,197,325		24,497,781		23,575,099		32,487,928		31,733,029		17,808,445
	10,268,318		10,962,774		10,534,435		15,404,303		15,039,975		11,229,401
	10,347,505		10,621,468		9,691,454		12,265,084		12,947,885		10,957,678
	15,688,853		16,747,542		19,295,728		9,334,739		10,134,372		11,424,974
	359,332		378,575		398,068		353,822		313,683		336,761
	4,945,020		5,059,060		5,535,377		5,989,896		5,952,121		5,940,220
	5,852,106		6,151,189		6,580,796		7,763,673		8,255,773		6,684,160
	4,487,298		6,948,424		6,781,498		7,150,741		5,109,211		4,401,719
	<u>135,728,650</u>		<u>144,192,531</u>		<u>143,682,212</u>		<u>190,138,521</u>		<u>189,275,530</u>		<u>125,158,758</u>
	3,075		194,914		210,784		226,224		222,431		190,346
	107,339		-		-		-		4,349		5,225
	835,616		716,947		800,869		640,147		541,823		560,837
	-		-		-		-		420		490
	401,262		351,834		381,559		363,885		531,289		384,019
	725		262		112		-		15		534
	52,946		164,802		64,797		79,865		88,931		87,135
	399,322		273,804		223,790		278,415		276,796		307,817
	1,807,330		1,688,935		1,621,218		1,653,583		1,679,706		1,578,052
	3,389,114		3,457,191		3,390,724		3,266,333		3,495,283		3,630,543
	-		-		-		-		-		-
	29,387,695		29,737,748		29,394,748		32,886,488		30,630,308		27,140,691
	985,391		1,398,776		1,236,991		1,153,072		1,417,759		1,464,809
	<u>37,369,815</u>		<u>37,985,213</u>		<u>37,325,592</u>		<u>40,548,012</u>		<u>38,889,110</u>		<u>35,350,498</u>
	(98,358,835)		(106,207,318)		(106,356,620)		(149,590,509)		(150,386,420)		(89,808,260)
	15,967,774		21,784,467		22,877,675		25,712,820		26,224,210		30,350,044
	-		-		1,200,000		-		-		-
	484,038		1,077,297		1,238,633		1,545,989		1,554,844		1,403,837
	9,373,229		10,125,067		9,742,800		11,915,513		10,476,105		10,401,754
	71,455,903		68,576,907		70,513,775		72,447,212		72,254,897		72,209,515
	294,357		728,393		1,071,088		1,259,886		843,809		571,326
	348,647		322,603		842,839		1,516,101		1,603,649		1,759,869
	<u>97,923,948</u>		<u>102,614,734</u>		<u>107,486,810</u>		<u>114,397,521</u>		<u>112,957,514</u>		<u>116,696,345</u>
\$	<u>(434,887)</u>	\$	<u>(3,592,584)</u>	\$	<u>1,130,190</u>	\$	<u>35,192,988</u>	\$	<u>(37,428,906)</u>	\$	<u>26,888,085</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Reserved	\$ 2,636,276	\$ -	\$ -	\$ -
Unreserved, Designated	2,352,197	-	-	-
Unreserved, Undesignated	11,044,500	-	-	-
Nonspendable	-	278,075	189,006	270,695
Restricted	-	2,851,833	3,562,528	3,867,464
Committed	-	2,903,318	2,519,534	1,903,201
Unassigned	-	11,508,180	15,451,213	17,472,471
Total General Fund	<u>\$ 16,032,973</u>	<u>\$ 17,541,406</u>	<u>\$ 21,722,281</u>	<u>\$ 23,513,831</u>
All Other Governmental Funds				
Reserved	\$ 5,943,846	\$ -	\$ -	\$ -
Unreserved, Reported in:	2,094,857	-	-	-
Nonspendable	-	11,415	15,084	22,033
Restricted, Reported in:	-	22,187,616	12,897,157	23,784,859
Unassigned, Reported in:	-	(15,929)	-	-
All Other Governmental Funds	<u>\$ 8,038,703</u>	<u>\$ 22,183,102</u>	<u>\$ 12,912,241</u>	<u>\$ 23,806,892</u>
Total All Funds	<u>\$ 24,071,676</u>	<u>\$ 39,724,508</u>	<u>\$ 34,634,522</u>	<u>\$ 47,320,723</u>

Source: District's financial records

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
256,197	647,352	-	328,969	374,535	469,392
3,633,869	3,831,642	4,196,553	4,027,713	4,158,407	5,847,738
2,067,348	1,393,434	1,176,269	1,293,948	1,257,804	1,550,194
16,003,177	14,805,438	15,748,008	14,466,101	10,024,458	7,417,075
<u>\$ 21,960,591</u>	<u>\$ 20,677,866</u>	<u>\$ 21,120,830</u>	<u>\$ 20,116,731</u>	<u>\$ 15,815,204</u>	<u>\$ 15,284,399</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
26,984	67,157	122,264	177,574	190,617	2,452,384
15,889,247	77,192,716	74,776,954	40,759,460	8,370,219	5,147,420
-	-	-	-	-	-
<u>\$ 15,916,231</u>	<u>\$ 77,259,873</u>	<u>\$ 74,899,218</u>	<u>\$ 40,937,034</u>	<u>\$ 8,560,836</u>	<u>\$ 7,599,804</u>
<u>\$ 37,876,822</u>	<u>\$ 97,937,739</u>	<u>\$ 96,020,048</u>	<u>\$ 61,053,765</u>	<u>\$ 24,376,040</u>	<u>\$ 22,884,203</u>

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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:				
Property Taxes	\$ 33,312,791	\$ 42,027,958	\$ 32,233,016	\$ 34,586,475
Earnings on Investments	174,360	31,677	37,064	49,189
Other	8,905,536	9,132,181	8,144,240	8,356,020
State Sources	74,486,292	73,572,503	81,833,895	82,364,820
Federal Sources	13,308,330	7,828,467	7,371,690	6,438,224
Total Revenues	<u>130,187,309</u>	<u>132,592,786</u>	<u>129,619,905</u>	<u>131,794,728</u>
Expenditures				
Current:				
Administration	4,740,928	4,479,834	4,653,413	4,989,116
District Support Services	3,316,627	3,503,874	3,844,968	3,554,671
Elementary and Secondary Regular Instruction	49,316,260	50,623,741	50,600,018	50,345,903
Vocational Education Instruction	1,575,805	1,457,705	1,498,920	1,313,835
Special Education Instruction	21,044,299	22,217,684	19,095,676	19,864,118
Instructional Support Services	7,091,658	6,817,957	4,999,515	7,436,464
Pupil Support Services	9,584,890	10,012,614	9,766,628	9,865,911
Sites and Buildings	8,847,651	9,590,961	8,934,219	9,226,327
Fiscal and Other Fixed Cost Programs	202,269	210,020	251,997	295,956
Food Service	4,160,351	4,222,507	4,145,547	4,633,338
Community Service Fund	6,761,386	6,387,759	5,316,732	4,996,977
Capital Outlay	14,247,559	7,521,788	12,116,836	10,265,759
Debt Service:				
Principal	3,750,000	4,480,000	5,126,777	5,333,428
Interest and Fiscal Charges	4,055,731	4,165,905	4,626,776	4,537,801
Total Expenditures	<u>138,695,414</u>	<u>135,692,349</u>	<u>134,978,022</u>	<u>136,659,604</u>
Deficiency of Revenues Under Expenditures	(8,508,105)	(3,099,563)	(5,358,117)	(4,864,876)
Other Financing Sources (Uses)				
Proceeds from Debt Issuance	-	16,575,000	-	16,910,000
Premium on Bonds	-	328,926	-	612,872
Payments to Refunded Bond Escrow Agent	-	-	-	-
Capital Leases	1,103,500	-	-	-
Proceeds from Sale of Equipment	4,135	1,050	5,500	7,081
Proceeds from Insurance Recovery	2,571	1,847,419	262,631	21,124
Transfers In	345,512	-	-	-
Transfers Out	(4,918,776)	-	-	-
Total Other Financing Sources (Uses)	<u>(3,463,058)</u>	<u>18,752,395</u>	<u>268,131</u>	<u>17,551,077</u>
Net Change in Fund Balances	<u>\$ (11,971,163)</u>	<u>\$ 15,652,832</u>	<u>\$ (5,089,986)</u>	<u>\$ 12,686,201</u>
Debt Service as a Percentage of Noncapital Expenditures	6.27%	6.75%	7.94%	7.81%

Sources: District's financial records

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
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
\$ 25,795,703	\$ 33,212,333	\$ 35,053,016	\$ 39,094,623	\$ 38,097,535	\$ 42,385,297
73,673	68,245	454,848	540,031	653,809	911,976
8,627,885	8,026,353	8,191,071	8,484,173	8,609,002	7,919,917
92,656,912	91,607,137	92,498,905	93,346,633	95,558,484	96,762,424
7,584,795	7,654,305	7,860,618	8,631,725	7,806,378	7,985,785
<u>134,738,968</u>	<u>140,568,373</u>	<u>144,058,458</u>	<u>150,097,185</u>	<u>150,725,208</u>	<u>155,965,399</u>
5,165,097	5,381,925	5,536,309	5,519,388	5,680,528	5,774,945
3,413,639	3,683,322	3,531,663	4,185,606	5,027,862	3,396,407
51,801,948	53,893,564	54,043,785	54,976,422	55,398,654	55,816,055
1,239,045	1,363,572	1,452,112	1,876,990	2,150,295	2,036,313
22,223,518	24,169,675	24,455,459	24,027,079	24,767,930	25,398,748
10,207,507	10,702,294	10,819,656	10,862,353	10,888,211	12,205,567
10,358,327	10,576,978	9,766,662	11,000,503	11,877,743	11,884,787
10,722,992	9,415,493	9,573,137	9,302,350	9,535,036	10,138,616
359,332	378,575	398,068	353,822	313,683	336,761
4,934,679	5,016,679	5,546,232	5,733,255	5,829,895	5,902,901
5,879,995	6,069,954	6,615,805	6,875,455	7,443,701	7,324,705
7,425,642	5,597,264	42,659,773	28,169,017	6,718,409	5,699,115
5,921,060	6,037,478	6,133,104	6,726,213	6,037,595	6,720,495
4,780,920	5,753,097	6,263,031	7,520,641	6,444,307	4,828,185
<u>144,433,701</u>	<u>148,039,870</u>	<u>186,794,796</u>	<u>177,129,094</u>	<u>158,113,849</u>	<u>157,463,600</u>
(9,694,733)	(7,471,497)	(42,736,338)	(27,031,909)	(7,388,641)	(1,498,201)
-	68,450,000	36,715,000	13,990,000	-	-
-	2,609,184	3,913,835	-	-	-
-	(4,015,000)	-	(22,620,346)	(29,330,000)	-
-	503,645	318,585	-	-	-
5,535	-	-	-	-	-
245,297	4,818	359,861	187,105	40,916	6,364
-	-	-	27,082	-	-
-	-	-	(27,082)	-	-
<u>250,832</u>	<u>67,552,647</u>	<u>41,307,281</u>	<u>(8,443,241)</u>	<u>(29,289,084)</u>	<u>6,364</u>
<u>\$ (9,443,901)</u>	<u>\$ 60,081,150</u>	<u>\$ (1,429,057)</u>	<u>\$ (35,475,150)</u>	<u>\$ (36,677,725)</u>	<u>\$ (1,491,837)</u>
7.81%	8.28%	8.45%	9.42%	8.12%	7.44%

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE AND LEVY TYPE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year	Property Tax				Total
	General Fund	Community Service	Capital Projects - Building Construction Fund	Debt Service	
2010	\$ 24,098,279	\$ 878,490	\$ 1,997,143	\$ 6,685,783	\$ 33,659,695
2011	32,487,487	1,404,357	1,650,239	8,136,114	43,678,197
2012	22,730,154	945,239	-	8,557,623	32,233,016
2013	24,610,109	986,499	-	8,989,867	34,586,475
2014	15,949,634	483,488	-	9,362,581	25,795,703
2015	21,933,388	1,084,662	-	10,194,283	33,212,333
2016	22,874,885	1,237,759	1,200,000	9,740,372	35,053,016
2017	25,663,259	1,542,386	-	11,888,978	39,094,623
2018	26,115,688	1,548,150	-	10,433,697	38,097,535
2019	30,501,788	1,413,236	-	10,470,273	42,385,297

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
TAX CAPACITIES AND MARKET VALUE
LAST TEN FISCAL YEARS
(UNAUDITED)**

For Taxes Collectible	Tax Capacity Valuation			
	Agricultural	Non-Agricultural	Fiscal Disparities	
			Contribution	Distribution
Dakota County				
2010	\$ -	\$ 62,585,735	\$ (9,383,424)	\$ 7,552,685
2011	-	58,466,834	(9,345,125)	7,373,077
2012	-	54,554,627	(8,854,516)	6,837,908
2013	-	51,366,003	(8,772,069)	6,412,676
2014	-	52,188,920	(8,671,256)	5,990,040
2015	-	56,421,607	(8,676,317)	5,954,015
2016	-	58,689,449	(9,336,149)	6,108,398
2017	-	59,771,813	(9,204,390)	6,571,222
2018	-	65,136,255	(9,024,255)	6,931,010
2019	-	70,058,732	(9,059,323)	7,349,467
Scott County				
2010	-	17,839,926	(2,694,919)	771,610
2011	57,863	17,551,138	(2,897,114)	1,807,108
2012	50,493	16,234,341	(2,860,834)	1,531,944
2013	25,851	15,105,539	(2,725,855)	1,482,916
2014	52,993	15,700,702	(2,700,526)	1,377,863
2015	43,898	17,077,271	(2,698,085)	1,416,364
2016	76,637	18,097,758	(3,064,523)	1,523,727
2017	37,415	19,869,873	(3,175,091)	1,709,580
2018	29,841	21,039,808	(3,770,912)	1,782,864
2019	20,259	22,823,684	(3,868,467)	1,871,118

Source: School Tax Report issued by the Minnesota Department of Education and Scott and Dakota Counties

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
TAX CAPACITIES AND MARKET VALUE (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Tax Increment</u>	<u>Total Taxable</u>	<u>Taxable Market Value</u>	<u>Tax Capacity as a Percentage of Market Value</u>
\$ (6,063,844)	\$ 54,691,152	\$ 4,952,096,500	1.10
(3,707,982)	52,786,804	4,605,222,400	1.15
(3,458,759)	49,079,260	4,504,133,750	1.09
(3,304,385)	45,702,225	4,281,610,850	1.07
(1,304,367)	48,203,337	4,345,185,225	1.11
(1,832,040)	51,867,265	4,692,482,625	1.11
(3,169,684)	52,292,014	4,865,451,265	1.07
(3,378,035)	54,661,226	5,003,279,610	1.09
(3,902,924)	60,088,642	5,447,134,772	1.10
(4,413,182)	64,337,435	5,840,024,400	1.10
(129,985)	15,786,632	1,404,193,900	1.12
(36,196)	16,482,799	1,377,039,800	1.20
(26,264)	14,929,680	1,334,288,700	1.12
(25,738)	13,862,713	1,263,549,300	1.10
(25,738)	14,405,294	1,318,625,200	1.09
-	15,839,448	1,430,354,300	1.11
(81,937)	16,551,662	1,505,076,100	1.10
(138,187)	18,729,804	1,618,071,200	1.16
(159,437)	19,467,664	1,704,789,900	1.14
(166,937)	21,231,291	1,844,550,200	1.15

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(UNAUDITED)**

Rate	Tax Collection Year	ISD No. 191	Overlapping Rates				
			Municipalities				
			Apple Valley	Burnsville	Eagan	Savage	Shakopee
Tax Capacity Rate	2010	0.20651	0.39848	0.38568	0.30407	0.47335	0.33710
Market Value Rate	2010	0.26401	0.03372	-	0.01603	0.01523	0.00555
Tax Capacity Rate	2011	0.21854	0.42388	0.42598	0.33675	0.48278	0.34731
Market Value Rate	2011	0.27427	0.03750	-	0.01704	0.01543	0.00342
Tax Capacity Rate	2012	0.21881	0.44110	0.43213	0.34553	0.51123	0.36655
Market Value Rate	2012	0.28538	0.04169	-	0.01644	0.00160	0.00035
Tax Capacity Rate	2013	0.26168	0.49210	0.47021	0.38272	0.55508	0.41996
Market Value Rate	2013	0.29632	0.02122	-	0.01726	0.00169	0.00047
Tax Capacity Rate	2014	0.25661	0.47891	0.46670	0.38250	0.55278	0.41437
Market Value Rate	2014	0.26308	0.02124	-	0.01696	0.00161	0.00052
Tax Capacity Rate	2015	0.24554	0.45274	0.44790	0.36525	0.51742	0.37862
Market Value Rate	2015	0.26015	0.02036	-	0.01564	0.00148	0.00054
Tax Capacity Rate	2016	0.31065	0.44721	0.46525	0.37097	0.49905	0.37902
Market Value Rate	2016	0.24692	0.01994	-	0.01490	0.00141	0.00061
Tax Capacity Rate	2017	0.27529	0.44473	0.46557	0.37385	0.47841	0.38522
Market Value Rate	2017	0.00233	0.00233	-	0.00015	0.00013	-
Tax Capacity Rate	2018	0.25759	0.42475	0.46670	0.36378	0.47117	0.37212
Market Value Rate	2018	0.00292	0.00018	-	0.00014	0.00011	-
Tax Capacity Rate	2019	0.26202	0.39603	0.43595	0.35227	0.44474	0.34943
Market Value Rate	2019	0.00244	0.00017	-	0.00012	0.00010	-

* Tax capacity rates only.

Source: Dakota and Scott Counties

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS (CONTINUED)
LAST TEN YEARS
(UNAUDITED)**

Counties		Overlapping Rates Special Taxing Districts		Total*	
Dakota County	Scott County	Dakota County	Scott County	Burnsville Resident	Savage Resident
0.27261	0.33237	0.05868	0.04938	0.92348	1.06161
-	-	-	-	-	-
0.29149	0.35541	0.05798	0.04649	0.99399	1.10322
-	-	-	-	-	-
0.31426	0.38802	0.06407	0.05081	1.02927	1.16887
-	-	-	-	-	-
0.33421	0.40674	0.07009	0.05250	1.13619	1.27600
-	-	-	-	-	-
0.31827	0.39720	0.06772	0.05062	1.10930	1.25721
-	-	-	-	-	-
0.29633	0.36640	0.06201	0.04692	1.05178	1.17628
-	-	-	-	-	-
0.28570	0.36175	0.06288	0.04670	1.12448	1.21815
-	-	-	-	-	-
0.28004	0.35896	0.04458	0.04979	1.06548	1.16245
-	-	-	-	0.00233	0.00247
0.26580	0.35114	0.03878	0.05090	1.02887	1.13080
-	-	-	-	0.00292	0.00303
0.25386	0.33841	0.03824	0.04891	0.99007	1.09408
-	-	-	-	0.00244	0.00254

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
PRINCIPAL PROPERTY TAXPAYERS
FISCAL YEAR 2019 AND 2010
(UNAUDITED)**

Taxpayer	2019			2010		
	Net Tax Capacity	Rank	Percentage of Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Tax Capacity Value
Xcel Energy	\$ 2,872,952	1	3.04%	\$ 2,215,161	1	2.75%
Paragon Outlets Eagan	1,860,524	2	1.97%			
Centerpoint Energy	669,308	3	0.71%			
Rosemount Inc.	524,408	4	0.56%			
Flats at Cedar Grove LLC	512,163	5	0.54%			
PRCP-Minnesota Stone LLC	442,355	6	0.47%			
FLT Summit Park Apartments LLC	436,770	7	0.46%			
Bigos Willow Pond	405,918	8	0.43%			
Individual	382,647	9	0.41%			
FPA5 Tailway LLC	380,445	10	0.40%			
Kraus Anderson, Inc.				405,694	2	0.50%
Iret Properties				351,876	4	0.44%
Menards, Inc.				350,126	5	0.44%
Minnegasco, Inc.				401,770	3	0.50%
Cargill				322,672	9	0.40%
Aurora Investments LLC				347,878	6	0.43%
Individual				326,250	8	
Shakopee Crossings Ltd Ptshp				286,041	10	0.36%
Individual				340,451	7	0.42%
Total	\$ 8,487,490		8.99%	\$ 5,347,919		6.24%

Source: Certificates as to Taxes and Taxable Property, furnished by Dakota and Scott Counties.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
PROPERTY TAX LEVIES, COLLECTIONS, AND RECEIVABLES
LAST TEN FISCAL YEARS
(UNAUDITED)**

For Taxes Collectible	Original Levy				Collections	
	Local Spread	Fiscal Disparities	Property Tax Credits	Total Spread	First Year Levy Recognized	
					Amount	Percentage of Levy
2010	\$ 28,999,757	\$ 4,149,020	\$ 691,398	\$ 33,840,175	\$ 14,282,750	42.2 %
2011	28,895,825	4,377,847	691,398	33,965,070	14,789,335	43.5
2012	28,884,537	4,114,550	- *	32,999,087	14,914,934	45.2
2013	30,296,042	4,092,005	-	34,388,047	15,292,779	44.5
2014	29,362,825	4,222,030	-	33,584,855	15,248,908	45.4
2015	31,025,345	3,839,822	-	34,865,167	16,303,858	46.8
2016	35,119,563	3,851,095	-	38,970,658	18,419,963	47.3
2017	33,374,272	4,659,195	-	38,033,467	17,616,603	46.3
2018	37,936,271	4,466,731	-	42,403,002	19,671,004	46.4
2019	38,825,424	4,929,600	-	43,755,024	20,547,965	47.0

* Property tax credits replaced by homestead market value exclusion in 2012

Note 1: A portion of the total spread levy is paid through various property tax credits which are paid through state aids and have been included in collections.

Note 2: Delinquent taxes receivable are written off after seven years. The amount of collections has been adjusted to reflect the write off of delinquent taxes receivable.

Note 3: Only a portion of the taxes levied for the most recent fiscal year is collected by June 30.

Source: State of Minnesota School Tax Report

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
PROPERTY TAX LEVIES, COLLECTIONS, AND RECEIVABLES (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Received in Subsequent Years	Collections		Uncollected Taxes Receivable as of June 30, 2019			
	Total to Date		Delinquent		Current	
	Amount	Percentage of Levy	Amount	Percent	Amount	Percent
\$ 19,550,994	\$ 33,833,744	100.0 %	\$ -	- %	\$ -	- %
19,175,735	33,965,070	100.0	-	-	-	-
18,081,124	32,996,058	99.9	3,029	0.1	-	-
19,047,953	34,340,732	99.9	47,315	0.1	-	-
18,317,871	33,566,779	99.9	18,076	0.1	-	-
18,539,743	34,843,601	99.9	21,566	0.1	-	-
20,493,707	38,913,670	99.8	56,988	0.2	-	-
20,348,041	37,964,644	99.8	68,823	0.2	-	-
22,500,693	42,171,697	99.5	231,305	0.5	-	-
-	20,547,965	47.0	-	-	23,207,059	53.0
			<u>\$ 447,102</u>		<u>\$ 23,207,059</u>	

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Governmental Activities				Percentage of Personal Income (1)	Per Capita (1)
	General Obligation	Capital Leases	Special	Total Primary		
	Bonds		Assessments	Government		
2010	\$ 89,255,000	\$ 4,897,473	\$ 47,048	\$ 94,199,521	3.71 %	\$ 1,424
2011	101,350,000	4,401,353	33,606	105,784,959	4.09	1,570
2012	96,710,000	3,914,576	20,163	100,644,739	3.71	1,494
2013	108,795,000	3,406,148	6,721	112,207,869	4.00	1,666
2014	103,405,000	2,875,088	-	106,280,088	3.64	1,578
2015	162,490,000	2,691,255	-	165,181,255	5.53	2,452
2016	193,640,000	2,447,817	-	196,087,817	6.57	2,911
2017	186,029,667	1,871,605	-	187,901,272	5.82	2,789
2018	150,839,845	1,270,148	-	152,109,993	4.64	2,258
2019	144,096,605	884,653	-	144,981,258	4.29	2,152

N/A - Not Available

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

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

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
RATIO OF NET GENERAL OBLIGATIONS BONDED DEBT
TO TAX CAPACITY AND NET GENERAL OBLIGATIONS BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Gross Bonded Debt	Less Debt Service Funds on Hand	Net Bonded Debt	Tax Capacity	Percent Net Debt to Tax Capacity	Percent of Estimated Actual Market Value of Property (1)	Estimated Population	Net Bonded Debt per Capita
2010	\$ 89,255,000	\$ 1,484,872	\$ 87,770,128	\$ 70,477,784	124.54 %	1.31 %	67,370	\$ 1,303
2011	101,350,000	1,384,060	99,965,940	69,269,603	144.31	1.57	67,370	1,484
2012	96,710,000	1,317,768	95,392,232	64,008,940	149.03	1.59	67,370	1,416
2013	108,795,000	1,971,332	106,823,668	59,564,938	179.34	1.83	67,370	1,586
2014	103,405,000	1,252,357	102,152,643	62,608,631	163.16	1.84	67,370	1,516
2015	162,490,000	3,168,468	159,321,532	67,706,713	235.31	2.81	67,370	2,365
2016	193,640,000	42,042,329	151,597,671	68,843,676	220.21	2.48	67,370	2,250
2017	186,029,667	32,620,732	153,408,935	73,391,030	209.03	2.32	67,370	2,277
2018	150,839,845	3,161,990	147,677,855	79,556,306	185.63	2.06	67,370	2,192
2019	144,096,605	3,464,971	140,631,634	85,568,726	164.35	1.83	67,370	2,087

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

Source: Annual school district census and U.S. census

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2019
(UNAUDITED)**

Governmental Unit	2018/19 Taxable Net Tax Capacity	Bonded Debt ¹	Percent Allocable to ISD No. 191	Portion Allocable to ISD No. 191
Independent School District No. 191	\$ 94,427,050	\$ 138,355,000	100.0000 %	\$ 138,355,000
Overlapping Debt				
Dakota County	491,799,026	-	11.5958%	-
Scott County	201,485,950	114,680,000	10.5374%	120,842
City of Apple Valley	55,787,798	14,745,000	0.8703%	1,283
City of Burnsville	70,727,744	40,800,000	67.2531%	274,392
City of Eagan	92,141,892	45,220,000	9.7413%	44,050
City of Savage	39,556,329	39,005,000	46.8672%	182,806
City of Shakopee	54,642,684	34,660,000	4.9272%	17,078
Metropolitan Council	4,268,355,428	263,285,000 ²	1.8335%	48,273
Total Overlapping Debt				<u>688,724</u>
Total Direct and Overlapping Debt				<u><u>\$ 139,043,724</u></u>

1) Does not include non-general obligation debt, self-supporting general obligation revenue debt, short-term general obligation debt, or general obligation tax/aid anticipation certificates of indebtedness.

2) The above debt includes all outstanding general obligation debt supported by taxes of the Metropolitan Council. The Council also has general obligation sewer revenue, wastewater revenue, and radio revenue bonds and lease obligations outstanding all of which are supported entirely by revenues and have not been included in Overlapping Debt.

Source: Official Statements obtained on EMMA, the Municipal Advisor's records, and Certificates as to Taxes and Taxable Property, furnished by Dakota and Scott Counties.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 191
 LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

	Fiscal Year			
	2010	2011	2012	2013
Debt Limit	\$ 995,645,343	\$ 901,741,905	\$ 883,979,884	\$ 884,832,770
Total Net Debt Applicable to Limit	<u>87,073,246</u>	<u>82,615,514</u>	<u>99,470,950</u>	<u>89,723,574</u>
Legal Debt Margin	<u>\$ 908,572,097</u>	<u>\$ 819,126,391</u>	<u>\$ 784,508,934</u>	<u>\$ 795,109,196</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.75%	9.16%	11.25%	10.14%

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
LEGAL DEBT MARGIN (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 906,296,696	\$ 951,986,716	\$ 1,011,131,704	\$ 1,067,125,043	\$ 1,150,340,516	\$ 1,239,580,812
165,642,782	143,240,787	142,090,806	153,878,208	131,225,000	126,015,000
<u>\$ 740,653,914</u>	<u>\$ 808,745,929</u>	<u>\$ 869,040,898</u>	<u>\$ 913,246,835</u>	<u>\$ 1,019,115,516</u>	<u>\$ 1,113,565,812</u>
18.28%	15.05%	14.05%	14.42%	11.41%	10.17%

Legal Debt Margin Calculation for Fiscal Year 2019

Economic Market Value	(1) \$ 8,263,872,083
Debt Limit (15% of Market Value)	1,239,580,812
Debt Applicable to Limit:	
General Obligation Bonds	126,015,000
Annual Appropriation Debt	513,244
Less: Amount Set Aside for Repayment of	
General Obligation Debt	<u>3,148,852</u>
Total Net Debt Applicable to Limit	<u>129,677,096</u>
Legal Debt Margin	<u>\$ 1,109,903,716</u>

(1) Economic Market Value - Assessment Year 2018 for taxes payable in 2019.
Source: Minnesota Department of Revenue.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Calendar Year	Population (1)	Estimated Personal Income (1)	Per Capita Personal Income (2)	Total ISD No. 191 Population (3)	School Enrollment (4)	City of Burnsville Unemployment Rate (1)
2009	61,042	\$ 2,538,037,712	\$ 41,552	66,158	9,826	7.4
2010	60,306	2,583,689,958	42,843	67,370	9,770	6.7
2011	60,664	2,709,982,208	44,672	67,370	9,585	6.2
2012	60,664	2,804,314,728	46,227	67,370	9,576	5.1
2013	61,061	2,922,135,216	47,856	67,370	9,468	4.5
2014	61,300	2,985,984,300	48,711	67,370	9,303	3.7
2015	61,747	3,120,755,127	50,541	67,370	9,311	3.5
2016	61,908	3,226,459,236	50,541	67,370	9,248	3.5
2017	61,849	3,280,656,507	53,043	67,370	9,109	3.2
2018	62,239	3,383,249,801	54,359	67,370	8,673	2.5

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

Note 2: Annual average unemployment rates compiled by the Minnesota Department of Employment and Economic Development.

Sources:

- (1) City of Burnsville Comprehensive Annual Financial Report for the year ended December 31, 2017
- (2) Estimated personal income is calculated by multiplying the per capital personal income by the City of Burnsville population
- (3) Annual school district census and U.S. census
- (4) ISD No. 191 - average daily membership (for students served or tuition paid)

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Employer	2019		2010	
	Employees	Rank	Employees	Rank
UTC Aerospace Systems	1,800	1		
Independent School District No. 191	1,551	2	1,416	1
City of Burnsville	507	3	397	4
Pepsi Bottling Group	500	4	500	3
Ames Construction	400	5		
Cub Foods	350	6	350	6
Walmart	335	7		
Northern Tool & Equipment	300	8	350	7
Yellow Freight System, Inc. (YRC)	300	9	300	9
Super Target	300	10	300	8
Goodrich Corporation			900	2
Fabcon, Inc			275	10
Mackin Educational Resources			395	5
Total	6,343		5,183	

Sources: Ehlers

Note: Information regarding the percentage of total employment for each employer was not available.
Source: Reference USA, written, telephone survey and 2019 Disclosure Reporting for the City of Burnsville

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
EMPLOYEES BY CLASSIFICATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Employees	Fiscal Years									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administrators/Principals	53	61	56	54	54	60	43	51	49	50
Confidential/Support Specialist*	-	-	-	-	-	-	24	43	47	48
Teachers	783	791	699	731	773	779	732	730	741	721
Clerical	85	80	73	74	66	66	63	64	65	58
Paraprofessionals	260	236	224	207	209	211	211	214	213	214
Nurses	15	15	13	12	16	18	16	15	14	14
Operations/Maintenance Supervisors	5	5	5	4	3	3	3	3	3	3
Technical Specialists	4	4	2	6	5	5	10	10	10	11
Community Education	52	47	46	36	36	36	39	51	60	61
Cafeteria	78	83	74	76	75	74	78	76	73	79
Custodians	81	82	75	75	72	73	74	82	80	77
Total	1,416	1,404	1,267	1,275	1,309	1,325	1,293	1,339	1,355	1,336

Note 1: This schedule is a headcount based on contract group. If an employee has multiple contract groups, they are reflected multiple times. Full and part-time employees count the same.

* New Category effective for 2016

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STUDENT TO STAFF RATIOS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	ISD No. 191 Student to Teacher Ratios (1)	Minnesota Department of Education Student to Staff Ratio (2)		
		ISD No. 191	Dakota County Average	State Average
2008	16.46	14.74	13.99	13.23
2009	16.49	14.88	13.57	12.94
2010	16.07	13.54	14.32	13.43
2011	15.74	13.10	14.18	13.44
2012	16.04	13.75	14.67	13.53
2013	15.62	13.31	14.34	13.33
2014	14.92	12.57	14.33	13.17
2015	14.37	11.95	13.89	12.92
2016	14.83	12.43	14.04	12.84
2017	15.27	12.41	13.82	12.72
2018	15.00	12.00	13.36	13.00

Note 1: Information is not yet available for 2019.

Sources: Minnesota Department of Education

- (1) This data is computed using only full-time equivalent licensed classroom teaching staff.
- (2) This data is computed by dividing total students (MDE enrollment numbers pre-kindergarten through Grade 12) by total certified staff. Certified staff includes classroom teachers, administrators, special education teachers, and all other licensed professionals measured in full-time equivalents.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
OPERATING INDICATORS BY FUNCTION
STANDARDIZED TESTING AND GRADUATION RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Years									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Standardized Tests										
MCA Reading (See Note 1)										
Grade 3	74.1 %	70.6 %	76.4 %	52.1 %	49.6 %	53.2 %	45.9 %	43.7 %	48.7 %	45.4 %
Grade 5	79.1	83.9	80.0	58.0	60.0	58.3	67.7	62.0	55.0	52.9
Grade 7	56.7	66.7	64.0	48.0	50.0	45.4	56.6	53.1	51.0	47.6
Grade 10	80.8	76.5	75.0	61.0	61.0	51.8	58.9	38.3	54.5	55.4
MCA Math (See Note 1)										
Grade 3	84.4	59.0	63.0	66.0	64.0	63.6	69.4	54.0	58.4	56.6
Grade 5	73.2	54.4	54.0	54.0	50.0	59.7	58.8	49.9	45.0	41.5
Grade 7	60.7	47.3	55.0	49.0	48.0	44.3	56.2	48.4	40.1	39.1
Grade 11	44.9	46.5	40.0	44.0	40.0	39.6	47.1	35.3	39.1	38.1
ACT										
Independent School District No. 191										
Average Composite Score	22.9	22.9	23.0	23.0	23.0	23.0	20.8	21.2	20.2	21.1
State Average Composite Score (1)	22.9	22.9	22.8	23.0	22.9	22.9	21.1	21.5	21.5	21.4

Note 1: Percent of students scoring at or above proficiency on the Minnesota Comprehensive Assessment Test.
(1) - Per ESSA School districts must offer a college and career readiness assessment, however the state no longer mandates ACT. State Average Composite Scores are available through MN Office of Higher Education.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
SCHOOL FACILITIES
JUNE 30, 2019
(UNAUDITED)**

Facility	Use	Constructed	Acres	Classrooms	Square Footage	Capacity	Enrollment (1)
Gideon Pond Elementary	School	1965/1971/1995	13.00	17	75,700	425	484
Edward Neill Elementary	School	1968/1976/1995	10.00	19	68,550	475	367
Marion W. Savage Elementary	School	1950/1954/1957 1961/1963/1965 1971/1990/1992	8.50	23	82,700	575	332
Sioux Trail Elementary	School	1964/1971/1995	13.50	18	75,790	450	311
Vista View Elementary	School	1963/1971/1995	16.50	18	80,069	450	354
Williams Byrne Elementary	School	1967/1971/1995/2016	10.50	24	79,856	450	435
Rahn Elementary	School	1969/1995	16.00	18	67,448	450	305
Sky Oaks Elementary	School	1975	11.00	24	85,850	600	411
Hidden Valley Elementary	School	1989	16.00	24	89,525	600	417
Harriet Bishop Elementary	School	1996	17.36	25	78,107	625	466
Metcalf Junior High	School	1966/2016	36.00	50	163,372	900	528
Eagle Ridge Junior High	School	1996	31.00	45	132,000	875	616
Nicollet Junior High	School	1970/1995	35.00	50	188,772	900	555
Burnsville Senior High	School	1955/1958/1962 1971/1976/1977 1980/1993/1998/2016	63.50	112	524,283	2,800	2,447
BES Transition Program	School	1978	1.27	3	12,054	193	37
Cedar School	School	1961/1971	10.00	12	60,952	300	97
Diamondhead Education	Office	1971	11.50	16	140,000	430	N/A
WH/Maintenance		1958/1962/1980	Part of BHS Acreage	N/A	20,780	N/A	N/A

N/A - Not Available

(1) Source: 2017-18 MN Department of Education School ADM Served Report

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
FOOD SERVICE
SCHOOL LUNCH PROGRAM DATA
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Average Daily Attendance (1)</u>	<u>Total Lunches Served</u>	<u>Days</u>	<u>Average Daily Participation</u>	<u>Participation as a Percent of Average Daily Attendance</u>
2010	9,236	917,157	172	5,332	57.73 %
2011	9,184	1,047,712	172	6,091	66.33
2012	9,010	1,059,439	172	6,160	68.36
2013	9,001	1,074,606	172	6,248	69.41
2014	8,901	1,057,173	166	6,369	71.55
2015	8,792	1,074,200	169	6,356	72.30
2016	8,752	1,067,859	170	6,282	71.77
2017	8,693	1,082,421	174	6,221	71.56
2018	8,563	1,040,408	174	5,979	69.83
2019	8,488	1,030,144	169	6,096	71.81

(1) Based on State Food and Nutrition Department guidelines, attendance is deemed to be 94% of enrollment.

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
 INDEPENDENT SCHOOL DISTRICT NO. 191
 FOOD SERVICE
 SCHOOL LUNCH PROGRAM DATA (CONTINUED)
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Free Lunch		Reduced Lunch	
Number Served	Percent of Total	Number Served	Percent of Total
376,798	41.08 %	95,006	10.36 %
432,182	41.25	97,556	9.31
471,515	44.51	95,993	9.06
508,951	47.36	95,527	8.89
520,432	49.23	87,674	8.29
533,864	49.70	102,744	9.56
545,887	51.12	97,590	9.14
545,677	50.41	110,524	10.21
512,908	49.30	115,231	11.08
475,065	46.12	134,711	13.08

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
SCHEDULE OF INSURANCE COVERAGE
JUNE 30, 2019
(UNAUDITED)**

Type of Coverage	Amount of Coverage
Property Coverage:	
Real and Personal Property (Blanketed)	\$ 350,000,000
Unscheduled Locations	None
Valuable Papers and Records	5,000,000
Accounts Receivable - On Premises	1,000,000
Boiler and Machinery Coverage:	
Property Damage	Included in Property Limit
Crime Coverage:	
Employee Dishonesty	500,000
Forgery or Alteration	500,000
Computer Fraud	500,000
Theft of Money and Securities - Inside the Premises	135,000
Theft of Money and Securities - Outside the Premises	270,000
General Liability Coverages:	
General:	
Each Occurrence	1,000,000
General Aggregate Limit	3,000,000
Medical Expense Limit - Any One Person	10,000
Damage to Premises Rented to You	1,000,000
Products/Completed Operations Aggregate	3,000,000
Personal & Advertising Injury	1,000,000
Umbrella Liability:	
Each Occurrence	4,000,000
Aggregate	4,000,000
Self-Insured Retention	0
Business Automobile Liability Coverage:	
Bodily Injury and Property Damage	1,000,000
Personal Injury Protection	Basic
Uninsured Motorists	1,000,000
Underinsured Motorists	1,000,000
Collision	1,000
Comprehensive	500
Educators Legal Liability (Professional)/Employment Practices Liability	
Each Wrongful Act	1,000,000
Aggregate	3,000,000
Educators Legal Liability Deductible	5,000
Employment Practices Liability Deductible	5,000
Storage Tank Environmental Impairment Liability	
Per Pollution Condition	1,000,000
Aggregate	1,000,000
Self-Insured Retention	25,000
Cyber Risk Liability	
Policy Aggregate Limit of Liability	1,000,000

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
STUDENT ENROLLMENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

Year Ended June 30,	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Elementary	Secondary	Total	Total Pupil Units
2010	148	636	4,357	4,685	9,826	11,393
2011	160	675	4,386	4,549	9,770	11,287
2012	156	654	4,364	4,411	9,585	11,069
2013	211	768	4,295	4,302	9,576	10,976
2014	191	730	4,323	4,224	9,468	10,864
2015	192	670	4,319	4,122	9,303	10,127
2016	209	600	4,253	4,059	9,121	9,933
2017	180	642	4,174	4,113	9,109	9,932
2018	251	657	3,918	4,015	8,841	9,644
2019	268	646	3,784	3,976	8,673	9,468

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

Note 2: Beginning in fiscal 2004, ADM is limited to 1.0 ADM per student.

Note 3: ADM is weighted as follows in computing pupil units:

	Pre-Kindergarten	Handicapped Kindergarten	Kindergarten	Elementary 1-3	Elementary 4-6	Secondary
Fiscal 2010 through 2015	1.250	1.000	0.612	1.115	1.060	1.300
Fiscal 2016 through 2019	1.000	1.000	1.00	1.00	1.00	1.20

Source: Minnesota Department of Education student reporting system

**BURNSVILLE-EAGAN-SAVAGE PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 191
EXPENDITURES PER STUDENT
YEAR ENDED JUNE 30, 2018
(UNAUDITED)**

	<u>State Average 2018</u>	<u>ISD No. 191 2018</u>
Expenditures Per Student (ADM) (1)		
General Fund:		
District Level Administration	\$ 604	\$ 636
School Level Administration	487	631
Regular Instruction	5,284	5,848
Career and Technical Instruction	159	237
Special Education	2,315	2,729
Student Activities/Athletics	319	252
Instructional Support Services	639	1,115
Pupil Support Services	375	430
Operations, Maintenance, and Other	924	1,009
Student Transportation	747	882
Equipment	468	496
Land and Buildings	<u>275</u>	<u>79</u>
Total General Fund Expenditures	<u>\$ 12,596</u>	<u>\$ 14,344</u>
ADM Used Per Profile Model Format		<u>9,468</u>

(1) Average daily membership (ADM) is a measure of student attendance.

Note: School District Profiles Report not available for June 30, 2019.

Source: Minnesota Department of Education School District Profiles Report