



**Prairie Lakes Area Education Agency
Monday, January 21, 2019 – 4:00 P.M.**

Prairie Lakes AEA - Pocahontas Office – Dean Saunders Board Room
500 NE 6th Street
Pocahontas, IA

**Regular Monthly Board Meeting
AGENDA**

1. Call to Order
2. Roll call
3. Review and Approve Agenda
4. Approve Minutes of December 17, 2018 Regular Board Meeting
5. Approve 2017-2018 Prairie Lakes AEA Annual Audit
6. Staff Presentation
7. Approve Monthly Bills and Review Cash Flow Report
8. Personnel Matters
 - A. Retirements/Resignations
 - B. New Hires
 - C. Other
9. Chief Administrator's Report
10. Upcoming Dates
11. Set Date, Time for Next Regular Board Meeting
12. Other
13. Adjournment
14. Negotiation Strategy Session – IA Code 20.17(3)



BOARD PREVIEW

for the Board Meeting – January 21, 2019

MISSION OF PRAIRIE LAKES AEA

The mission of Prairie Lakes AEA is to ensure success for all learners through collaborative partnerships.

In an effort to promote better understanding and communication of Board actions, prior to each Prairie Lakes AEA Board meeting this *BOARD PREVIEW* with an agenda and summary of the agenda is sent to all Prairie Lakes staff via email. It includes basic information on the Agenda Items and Chief Administrator's recommendations to the Board. All are encouraged to attend the Board meetings to share their ideas and to see – live – what the discussion and actions of the Board are. Board meetings are held in the Dean Saunders Board Room at the Prairie Lakes AEA Office in Pocahontas at 4 PM unless otherwise noted on the agenda. This preview does not have any information related to discipline, confidential personnel matters, or negotiations.

Regular Board Meeting • 4:00 p.m.

1. **Call to Order**
2. **Roll Call**
3. **Review and Approve Agenda – Action Item**
4. **Approve Minutes of December 17, 2018 Board Meeting - Action Item**

5. **Approve 2017-2018 Prairie Lakes AEA Annual Audit – Action Item**

The audit of the 2017-2018 financial records has been completed. Murray Stanley, CPA, Schnurr and Company, LLP, will share the highlights of the report and answer any questions.

Administrator's Recommendation – It is recommended that the PLAEA 2017-2018 Annual Audit Report be approved as presented.

6. **Staff Presentation** – Mark Shea, Post-Secondary Readiness Lead for Prairie Lakes AEA will share information about his work with schools and our statewide AEA Postsecondary Readiness Equity Partnership (PREP).

7. **Approve Monthly Bills – Action Item**

- A. Review Monthly Cash Flow Report – Information Item**

8. **Personnel Matters**

- A. Retirements/Resignations**

- 1. Classified Group – Informational Item**

- a. Sue Wedel, Communication Para, Spencer Office, retirement effective June 30, 2019.

- 2. Non-Bargaining Group – Informational Item**

- a. April Winston, Family and Education Partner, Spencer Office, resignation effective January 18, 2019.

- B. New Hires – None at this time**

C. Other – None at this time

9. Chief Administrator's Report – Information Item

1. Recognition of Excellence:

- We would like to recognize Kayti Pohlman, Social Worker, for her wonderful presentation she did for all AEA employees at our January 4 regional meeting. Staff learned about vicarious trauma and how it might manifest itself in the staff we work with and ourselves. Her presentation was personal and well received by other staff members. Kayti is a brand new employee and doing an excellent job.

2. Board Member Development:

- Our Childrens' System State Board has our next meeting on February 8 to figure out our next steps, including our advocacy efforts. I look forward to sharing the future of this group with you.
- We are adding some virtual reality equipment to our office in Pocahontas to show schools the possibilities. This is one of the new things we are adding to the space that was formerly occupied by Ed Zimmerle. We are still doing the video and tech support with two of our staff members.
- Our New Teacher Center Beginning Teacher Consortium is now serving 18 1st and 2nd year teachers in four districts (Gilmore City-Bradgate, Albert City-Truesdale, South Central Calhoun, and East Sac County). We are looking to expand the consortium to other districts, including NWAEA for next year. We had an informational meeting in Lake View this past week and four NWAEA districts attended as well as the new Chief Administrator, Dan Cox.
- Is there anything that you would like to know more about?

3. Advocacy:

- The 2019 legislative session has started. Please be sure to connect with your local legislators through email, phone calls, letters, or attending their Eggs and Issues type events throughout the session.
- [Day On The Hill](#), February 5, 2019, Greater Des Moines Botanical Garden and the Iowa State Capitol. The AEA system Superintendent event is on the 5th as well so this will be a great opportunity to connect with IASB, Legislators and local Superintendents. If you want to attend this event, please let Michelle know and she will get you registered.
- You may have seen Governor Reynolds [State of the State address](#) this past week. She did recommend 2.3% new money for education, which is much higher than I imagined it would be. The legislature still has to pass a bill but this is good news.

10. Upcoming Dates – Informational Item

- AEA Governing Boards Conference - March 28-29 in Des Moines. More information later.
- NW Iowa Cooperative Joint Board meeting, April 2, 2019, 5:00 p.m. Prairie Lakes AEA, Storm Lake

11. Set Date and time for Next Board Meeting – Information Item

The February board meeting is scheduled for **Monday, February 18, 2019 – 4:00 p.m. Prairie Lakes AEA, 500 NE 6th Street, Pocahontas, Iowa.**

12. Other

13. Adjournment

14. Negotiation Strategy Session – IA Code 20.17(3)

**Prairie Lakes Area Education Agency
Regular Board Meeting
Monday, December 17, 2018 – 4:00 p.m.
Humboldt, Iowa**

President Gary Astor called the regular board meeting of the Prairie Lakes Area Education Agency Board of Directors to order at 4:10 p.m. The following board members were present: Christina Allen, Sue Brown, Pat Brown, and Janice Harbaugh. Absent: Dawn Crane and Todd Lundgren.

On a motion by Sue Brown, seconded by Pat Brown, board approval was given to the agenda, including an amendment, as presented by Chief Administrator Jeff Herzberg.

President Astor asked if there were any corrections to the minutes of the November 14, 2018 Regular Board Meeting. Hearing none, the minutes stood approved.

On a motion by Sue Brown, seconded by Janice Harbaugh, board approval was given to the bills as presented by Michelle Dowd. Motion carried unanimously. The cash flow report was reviewed by Dowd.

On a motion by Pat Brown, seconded by Sue Brown, the board approved the following non bargaining new hire: Adam Schwanz, School Technology Technician, Fort Dodge office, \$18,798.75, 125 days, (based on \$38,500, 256 day contract). Motion carried unanimously.

On a motion by Janice Harbaugh, seconded by Pat Brown, the board approved the Business Management Agreement Addendums with Ruthven-Ayrshire CSD and Graettinger-Terril CSD. Motion carried unanimously.

Chief Administrator's Report: Recognition of Excellence: Ed Zimmerle was recognized for his 27 years of service at Arrowhead and Prairie Lakes. We will miss Ed's professionalism and positive attitude of supports! Tabitha DeMey and Janie Eischen were recognized for their efforts to support the schools with the new Every Student Succeeds Act (ESSA) work. Board Member Development: Chief Herzberg shared information on two upcoming workshops: Teaching Tolerance, A Project from the Southern Poverty Law Center Jan 24-25 in Pocahontas; Sarah Brown Wessling (2010 National Teacher of the Year from Johnston) will be leading Teaching Transparently in Storm Lake March 25-26; The Gallup Survey has been completed and a preliminary scan of the data shows continued improvement; The AEA system is accepting applications for the role of Executive Director. The Chief Administrators will be reviewing the applications on January 25th and select semifinalists for the position. Interviews for the finalists will be held on February 20th. Advocacy: The Chief Administrators will lead efforts to create talking points with legislators about two main areas for the upcoming legislative session: Mental Health Supports, to make connections with the Children's Mental Health System Board recommendations and how the AEAs could support this work, and Future Ready Iowa, College and Career Readiness; The Revenue Estimating Conference (REC) met and revised their estimate for FY 2019 net General Fund Receipts (including transfers). They agreed to reduce the estimate by \$13.5 million compared to the estimates they made in October. With this revision, the FY 2019 general revenue amounts are estimated to be \$344.7 million (4.7 percent) above the FY 2018 amount. The REC also revised their estimate for FY 2020. The change resulted in a slightly lower estimate (down \$4.5 million from the October estimate) and represents an increase of \$139.8 million (1.8 percent) compared to the revised FY 2019 estimate.

Upcoming dates: Day On The Hill, February 5, 2019, Greater Des Moines Botanical Garden and the Iowa State Capitol. The AEA system Superintendent event is on the 5th as well so this will be a great opportunity to connect with IASB, Legislators and local Superintendents. AEA Governing Boards Conference - March 28-29 in Des Moines. NW Iowa Cooperative Joint Board meeting, April 2, 2019, 5:00 p.m. Prairie Lakes AEA, Storm Lake

The January board meeting is scheduled for Monday, January 21, 2019 - 4:00 p.m. Prairie Lakes AEA, 500 NE 6th Street, Pocahontas, Iowa.

There being no further business, on a motion by Pat Brown, seconded by Janice Harbaugh, the Board adjourned at 5:00 p.m.

Board President

Board Secretary

**PRAIRIE LAKES
AREA EDUCATION AGENCY**

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2018

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PRAIRIE LAKES AREA EDUCATION AGENCY

OFFICIALS

<i>NAME</i>	<i>TITLE</i>	<i>TERM EXPIRES</i>
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Board of Directors

Gary Astor	President	2021
Sue Brown	Vice President	2021
Pat Brown	Member	2021
Janice Harbaugh	Member	2021
Dawn Crane	Member	2019
Todd Lundgren	Member	2019
Jeremy Riesenber	Member	2019

Agency

Jeff D. Herzberg	Chief Administrator	2018
Michelle R. Dowd	Chief Financial Officer/ Board Secretary and Board Treasurer	2018



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

Independent Auditor's Report

To the Board of Directors of
Prairie Lakes Area Education Agency
Fort Dodge, Iowa

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 Prairie Lakes Area Education Agency as of and for the year ended June 30, 2018, and the related Notes to Financial Statements, which collectively comprise the Agency's basic financial statements 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 U.S. generally accepted accounting principles. 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 auditor's 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 Agency'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 Agency'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 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 Prairie Lakes Area Education Agency as of June 30, 2018, and the respective changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 13 to the financial statements, Prairie Lakes Area Education Agency adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the Agency's Proportionate Share of the Net Pension Liability, the Schedule of Agency Contributions and the Schedule of Changes in the Agency's Total OPEB Liability, Related Ratios and Notes on pages 5 through 11 and 38 through 43 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 U.S. generally accepted auditing standards, 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 Prairie Lakes Area Education Agency's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2017 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates 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 U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 11, 2019 on our consideration of Prairie Lakes Area Education Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of Prairie Lakes Area Education Agency'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 Prairie Lakes Area Education Agency's internal control over financial reporting and compliance.

Schnur & Company, LLP

Fort Dodge, Iowa
January 11, 2019

PRAIRIE LAKES AREA EDUCATION AGENCY

PRAIRIE LAKES AREA EDUCATION AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Prairie Lakes Area Education Agency provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2018. We encourage readers to consider this information in conjunction with the Agency's financial statements, which follow.

2018 FINANCIAL HIGHLIGHTS

- The Agency implemented Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during fiscal year 2018. The beginning net position for governmental activities was restated by \$2,158,593 to retroactively report the increase in the OPEB liability as of July 1, 2017. OPEB expense for fiscal year 2017 and deferred inflows of resources at June 30, 2017 were not restated because the information needed to restate those amounts was not available.
- General Fund revenues increased from \$24,173,419 in fiscal year 2017 to \$24,467,713 in fiscal year 2018. General Fund expenditures increased from \$23,454,965 in fiscal year 2017 to \$23,701,032 in fiscal year 2018. Revenues less expenditures and other uses resulted in a net operating gain of \$469,556. The Agency's General Fund balance increased from \$3,048,606 at the end of fiscal year 2017 to \$3,518,161 at the end of fiscal year 2018.
- The Agency's special education support services state foundation aid revenue was reduced a total of \$1,128,565 as the result of a state-wide \$22.5 million cut to all area education agencies in fiscal 2018. This is the seventh year for the state-wide cut to all of the area education agencies. Prior to this, the state-wide cut was \$27.5 million for fiscal years 2012 and 2013, and \$22.5 million for fiscal years 2014, 2015, and 2016, and \$26.25 million in 2017.
- The Agency's increase in expenditures of \$253,724 in fiscal year 2018, was due, in part, to new technology purchase and improvements made at the Pocahontas and Fort Dodge facilities.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.
- The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Prairie Lakes Area Education Agency as a whole and present an overall view of the Agency's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Agency's operations in more detail than the government-wide financial statements by providing information about the most significant funds.
- Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the Agency's budget for the year, the Agency's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the Agency's Total OPEB Liability, Related Ratios and Notes.

MANAGEMENT'S DISCUSSION AND ANALYSIS

USING THIS ANNUAL REPORT (Continued)

- Supplementary Information provides detailed information about the nonmajor funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the Agency.

Reporting the Agency's Financial Activities

Government-wide Financial Statements

The government-wide statements report information about the Agency as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Agency's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference reported as net position. All of the current year 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 Agency's net position and how it has changed. Net position is one way to measure the Agency's financial health or financial position. Over time, increases or decreases in the Agency's net position is an indicator of whether financial position is improving or deteriorating. To assess the Agency's overall health, additional non-financial factors, such as changes in the Agency's property tax base and the condition of its facilities, need to be considered.

In the government-wide financial statements, the Agency's activities consist of the following:

- *Governmental activities:* The Agency's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. Local school districts, federal and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about the Agency's funds, focusing on its most significant or "major" funds – not the Agency as a whole. Funds are accounting devices the Agency uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law or by bond covenants. The Agency establishes other funds to control and manage money for particular purposes, such as accounting for major construction projects or to show it is properly using certain revenues, such as federal grants.

The Agency has two kinds of funds:

- Governmental funds account for most of the Agency's basic services. These focus on how cash and other financial assets readily converted to cash flow in and out and the balances left at year-end available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Agency's programs. The Agency's governmental funds include: 1) the General Fund, 2) the Special Revenue Funds and 3) the Debt Service Fund.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

MANAGEMENT'S DISCUSSION AND ANALYSIS

USING THIS ANNUAL REPORT (Continued)

Reporting the Agency's Financial Activities (continued)

Fund Financial Statements (continued)

- Fiduciary funds are funds through which the Agency administers and accounts for certain federal and/or state grants as a fiscal agent. The Agency is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The Agency excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statement for fiduciary funds is a Statement of Fiduciary Assets and Liabilities.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of financial position. Prairie Lakes Area Education Agency's net position at the end of fiscal year 2018 totaled approximately (\$4.0) million. This compared to approximately (\$2.5) million at the end of fiscal year 2017, prior to restatement. The following analysis focuses on the net position and changes in net position:

	Condensed Statement of Net Position (Expressed in Thousands)	
	Governmental Activities	
		2017
	2018	(Not Restated)
Current and other assets	\$ 7,215	\$ 6,981
Capital assets	4,721	4,744
Total assets	11,936	11,725
Deferred outflows of resources	4,307	4,354
Long-term liabilities	14,829	14,899
Other liabilities	3,697	3,232
Total liabilities	18,526	18,131
Deferred inflows of resources	1,730	443
Net position:		
Net investment in capital assets	4,721	4,314
Restricted	188	387
Unrestricted	(8,921)	(7,196)
Total net position	\$ (4,012)	\$ (2,495)

Prior to restatement, the Agency's total net position decreased by 60.8%, or \$1,517,000 from fiscal year 2017. The decrease occurred in governmental activities as a result of the changes in measuring the total OPEB liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following analysis details the changes in net position resulting from the Agency's activities:

	Changes in Net Position (Expressed in Thousands)	
	Governmental Activities	
	2018	2017 (Not Restated)
Revenues:		
Program revenues:		
Charges for service	\$ 1,978	\$ 2,327
Operating grants and contributions	11,105	10,800
General revenues:		
Property tax	6,395	6,339
State foundation aid	6,211	5,896
Unrestricted investment earnings	1	-
Total revenues	25,690	25,362
Expenditures/Expenses:		
Instruction	1,026	1,201
Student support services	15,443	17,749
Instructional staff support services	3,495	1,543
General administration	506	472
Business administration	2,444	2,647
Plant operations and maintenance	812	565
Central and other support services	1,304	1,101
Long-term debt interest	18	23
Total expenses	25,048	25,301
Change in net position	642	61
Net position beginning of year, as restated	(4,654)	(2,556)
Net position end of year	\$ (4,012)	\$ (2,495)

Property tax and state foundation aid account for 49.0% of the total revenue while operating grants and contributions from local, state and federal sources and charges for service account for 51.0% of the total revenue. The Agency's expenses primarily relate to instruction and student and instructional staff support services, which account for 80.0% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$25,689,502 and expenses were \$25,047,434. In a difficult budget year, the Agency was able to provide services needed by local school districts.

MANAGEMENT'S DISCUSSION AND ANALYSIS

INDIVIDUAL FUND ANALYSIS

As previously noted, Prairie Lakes Area Education Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Agency's governmental funds reported combined fund balances of \$3,518,161, over last year's ending fund balances of \$3,197,830. The primary reasons for the increase in combined fund balances in fiscal year 2018 was due to the Agency's continued effort to control expenditures to help offset the continued decrease in State Aid revenue for the Agency's share of the Area Education Agency system-wide \$22.5 million cut in state funding passed by legislators in 2018.

Governmental Fund Highlights

- The General Fund balance increased from \$3,048,606 to \$3,518,161 due, in part, to being unable to fill four licensed positions in fiscal year 2018.

BUDGETARY HIGHLIGHTS

Over the course of the year, the Agency amended its budget once to reflect adjustments to revenues and expenditures associated with the services needed and provided to the local school districts.

The Agency's total revenues were \$344,636 less than total budgeted revenues, a variance of 1.3%. Total expenditures were \$664,968 less than budgeted, a variance of 2.6%.

A schedule showing the original and final budget amounts compared to the Agency's actual financial activity is included in the Required Supplementary Information section of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the Agency had invested approximately \$4.7 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, computers and audio-visual equipment. This is a net decrease of approximately \$22,000 from last year. This decrease was primarily due to the disposal of obsolete library books and films during the fiscal year.

Prairie Lakes Area Education Agency had depreciation expense of \$259,567 in fiscal year 2018 and total accumulated depreciation of approximately \$3.8 million at June 30, 2018. More detailed information about capital assets is available in Note 3 to the financial statements.

Long-Term Debt

At June 30, 2018, the Agency had \$0 in long-term debt outstanding compared to \$430,000 at June 30, 2017. At June 30, 2018, the Agency had \$293,517 in compensated absences and early retirement obligation compared to \$371,946 at June 30, 2017. The Agency's net pension liability and OPEB liability at June 30, 2018 was \$13,000,609 and \$1,535,238, respectively. More detailed information about the Agency's long-term liabilities is available in Note 4 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Agency was aware of several existing circumstances that could significantly affect its financial health in the future:

- State and federal funding levels continue to be an area of concern for the AEA's throughout the state. For FY 2019, the supplemental state aid was set by legislature at 1.0% and they did not take action for setting the rate for FY 2020 as required by law. The statewide AEA system also received a targeted \$22.5 million reduction in FY 2019, which equates to a funding cut of \$1,126,145 for the Agency. At this time the Agency does not know if this reduction will continue for the 2020 fiscal year.
- Stable enrollment growth is critical in maintaining a sound financial position. The Agency's preliminary enrollment figures that will be used to determine the amount of state funding for fiscal year 2020, reflect a decrease of 36.8 students.
- The Agency has been notified to expect little or no increase in Federal IDEA funding for the immediate future.
- In the past years, growth in employee wages related to salary schedule movement and increased benefit costs have outpaced the increase in state-controlled funding. This relationship has a profound effect on the General Fund budget as approximately 80.0% of all expenditures are related to staff salaries and benefits.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Agency's citizens, taxpayers, customers, investors and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer's Office of Prairie Lakes Area Education Agency, 1235 5th Ave South, Fort Dodge, Iowa 50501.

BASIC FINANCIAL STATEMENTS

PRAIRIE LAKES AREA EDUCATION AGENCY

PRAIRIE LAKES AREA EDUCATION AGENCY

Exhibit A

**STATEMENT OF NET POSITION
June 30, 2018**

	<u>Governmental Activities</u>
Assets	
Cash and pooled investments	\$ 4,651,622
Receivables:	
Accounts	306,998
Due from other governments	2,224,837
Inventories	31,219
Capital assets, net of accumulated depreciation	<u>4,721,469</u>
Total assets	<u>11,936,145</u>
 Deferred Outflows of Resources	
Pension related deferred outflows	<u>4,307,417</u>
	<u>4,307,417</u>
 Liabilities	
Accounts payable	1,125,256
Salaries and benefits payable	2,407,166
Advances from grantors	164,092
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences	46,607
Early retirement obligation	70,455
Portion due or payable after one year:	
Early retirement obligation	176,455
Net pension liability	13,000,609
Total OPEB liability	<u>1,535,238</u>
Total liabilities	<u>18,525,878</u>
 Deferred Inflows of Resources	
Pension related deferred inflows	1,704,558
OPEB related deferred inflows	<u>24,957</u>
	<u>1,729,515</u>
 Net Position	
Net investment in capital assets	4,721,469
Restricted for:	
Partial Self-Funding Health Insurance	107,639
Categorical funding	79,985
Unrestricted	<u>(8,920,924)</u>
 Total net position	<u>\$ (4,011,831)</u>

See Notes to Financial Statements.

PRAIRIE LAKES AREA EDUCATION AGENCY

STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

	Program Revenues		
	Expenses	Charges for Service	Operating Grants and Contributions
Functions/Programs:			
Governmental Activities:			
Instruction	\$ 1,025,825	\$ 933,318	\$ 287,244
Student support services	15,338,824	-	9,828,204
Instructional staff support services	3,495,089	661,300	587,822
General administration	506,374	-	-
Business administration	2,443,805	167,083	-
Plant operations and maintenance	811,686	-	-
Central and other support services	1,304,077	216,167	104,177
Non-instructional programs	104,177	-	-
Interest on long-term debt	17,577	-	297,125
Total governmental activities	\$ 25,047,434	\$ 1,977,868	\$ 11,104,572

General Revenues:

- Property tax levied for general purposes
- State Foundation aid
- Unrestricted investment earnings
- Total general revenues**

Change in net position

Net position beginning of year, as restated

Net position end of year

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position	
Governmental Activities	Total
\$ 194,737	\$ 194,737
(5,510,620)	(5,510,620)
(2,245,967)	(2,245,967)
(506,374)	(506,374)
(2,276,722)	(2,276,722)
(811,686)	(811,686)
(983,733)	(983,733)
(104,177)	(104,177)
279,548	279,548
(11,964,994)	(11,964,994)
6,395,046	6,395,046
6,210,788	6,210,788
1,228	1,228
12,607,062	12,607,062
642,068	642,068
(4,653,899)	(4,653,899)
\$ (4,011,831)	\$ (4,011,831)

PRAIRIE LAKES AREA EDUCATION AGENCY

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2018

	General	Special Revenue Special Education Instruction
Assets		
Cash and pooled investments	\$ 4,467,274	\$ 94,455
Receivables:		
Accounts	258,941	48,057
Due from other governments	1,807,639	417,198
Due from other funds	447,284	-
Inventories	31,219	-
	<hr/>	<hr/>
Total assets	\$ 7,012,357	\$ 559,710
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 1,106,846	\$ 18,410
Salaries and benefits payable	2,278,230	94,016
Advances from grantors	109,119	-
Due to other funds	-	447,284
	<hr/>	<hr/>
Total liabilities	3,494,195	559,710
Fund Balances:		
Nonspendable:		
Inventories	31,219	-
Restricted for:		
Categorical funding	79,985	-
Partial Self Funding Health Insurance	107,639	-
Committed for:		
Compensated absences	46,607	-
Early retirement obligation	516,910	-
Unassigned	2,735,802	-
	<hr/>	<hr/>
Total fund balances	3,518,162	-
	<hr/>	<hr/>
Total liabilities and fund balances	\$ 7,012,357	\$ 559,710

See Notes to Financial Statements.

Exhibit C

Nonmajor	Total
\$ 89,893	\$ 4,651,622
-	306,998
-	2,224,837
-	447,284
-	31,219
<u>\$ 89,893</u>	<u>\$ 7,661,960</u>

\$ -	\$ 1,125,256
34,920	2,407,166
54,973	164,092
-	447,284
<u>89,893</u>	<u>4,143,798</u>

-	31,219
-	79,985
-	107,639
-	46,607
-	516,910
-	2,735,802
<u>-</u>	<u>3,518,162</u>
<u>\$ 89,893</u>	<u>\$ 7,661,960</u>

**RECONCILIATION OF THE BALANCE SHEET--
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2018**

Total governmental fund balances (page 14) \$ 3,518,162

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets is \$8,539,517 and the accumulated depreciation is \$3,818,048. 4,721,469

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 4,307,417	
Deferred inflows of resources	<u>(1,729,515)</u>	2,577,902

Long-term liabilities, including early retirement, compensated absences, total OPEB liability and net pension liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (14,829,364)

Net position of governmental activities (page 12) \$ (4,011,831)

See Notes to Financial Statements.

PRAIRIE LAKES AREA EDUCATION AGENCY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES -- GOVERNMENTAL FUNDS**

Year Ended June 30, 2018

	General	Special Revenue Education Instruction
Revenues:		
Local sources	\$ 7,736,722	\$ 933,318
State sources	7,938,913	42,864
Federal sources	8,792,078	-
Total revenues	24,467,713	976,182
Expenditures:		
Current:		
Instruction	4,064	778,432
Student support services	15,157,214	146,826
Instructional staff support services	3,404,948	-
General administration	496,070	-
Business administration	2,427,883	50,924
Plant operations and maintenance	774,185	-
Central and other support services	1,332,491	-
Non instructional programs	104,177	-
Debt service	-	-
Total expenditures	23,701,032	976,182
Excess (deficiency) of revenues over (under) expenditures	766,681	-
Other financing sources (uses):		
Transfers in	-	-
Transfers out	(297,125)	-
Total other financing sources (uses)	(297,125)	-
Change in fund balances	469,556	-
Fund balances, beginning of year	3,048,606	-
Fund balances, end of year	\$ 3,518,162	\$ -

See Notes to Financial Statements.

Exhibit E

Nonmajor		Total	
\$	1,228	\$	8,671,268
	244,380		8,226,157
	-		8,792,078
	245,608		25,689,503
	244,380		1,026,876
	-		15,304,040
	-		3,404,948
	-		496,070
	-		2,478,807
	-		774,185
	-		1,332,491
	-		104,177
	447,577		447,577
	691,957		25,369,171
	(446,349)		320,332
	297,125		297,125
	-		(297,125)
	297,125		-
	(149,224)		320,332
	149,224		3,197,830
\$	-	\$	3,518,162

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES --
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2018**

Change in fund balances - Total governmental funds (page 16) \$ 320,332

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the estimated useful lives of the assets. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for capital assets	\$ 288,664	
Depreciation expense	<u>(259,567)</u>	29,097

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. (51,628)

Repayment of certificates of participation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 430,000

The current year Agency IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. (1,308,017)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	992	
Pension expense	1,097,457	
Early retirement	77,437	
OPEB expense	<u>46,398</u>	

Change in net position of governmental activities (page 13) \$ 642,068

See Notes to Financial Statements.

PRAIRIE LAKES AREA EDUCATION AGENCY

Exhibit G

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUND**

June 30, 2018

Assets

Cash

\$ 52,303

Total assets

52,303

Liabilities

Due to other governments

52,303

Total liabilities

52,303

Net position

\$ -

See Notes to Financial Statements.

PRAIRIE LAKES AREA EDUCATION AGENCY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Prairie Lakes Area Education Agency is an intermediate school corporation established to identify and serve children who require special education. The Agency also provides media services and education support services. These programs and support services are provided to 39 school districts and 11 accreditable non-public schools in a 14-county area. The Agency is governed by a Board of Directors whose members are elected on a non-partisan basis.

The Agency's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity:

For financial reporting purposes, Prairie Lakes Area Education Agency has included all funds, organizations, agencies, boards, commissions and authorities. The Agency has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Agency are such that exclusion would cause the Agency's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Agency to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Agency. The Agency has no component units that meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation:

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by inter-governmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the Agency's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (continued):

Government-wide Financial Statements (continued) – The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Unrestricted interest income and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The Agency reports the following major governmental funds:

The General Fund is the general operating fund of the Agency. All general revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Special Revenue, Special Education Instruction Fund is used to account for a program where the Agency employs teachers to provide instruction to special education pupils. The actual costs of providing instructional services to the pupils are billed to the individual school districts.

The Agency also reports the following fiduciary fund:

The Agency Fund is used to account for assets held by the Agency as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

C. 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Agency considers revenues to be available if they are collected within 60 days after year-end.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (continued):

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current year are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Agency funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Agency's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

When an expenditure is incurred in governmental funds that can be paid using either restricted or unrestricted resources, the Agency's policy is to pay the expenditure from the restricted fund balance and then from less-restrictive classifications – committed, assigned, and then unassigned fund balances.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position:

Cash and Pooled Investments – Cash includes amounts in demand deposits and money market funds. Investments are stated at fair value and non-negotiable certificates of deposit are stated at cost.

Inventories – Inventories are stated at cost using the first-in, first-out method and consist of expendable supplies and materials. The cost of these items is recorded as an expenditure at the time of consumption.

Capital Assets – Capital assets, which include property, furniture and equipment are reported in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the Agency as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	No lower limit
Buildings	\$ 5,000
Building improvements	5,000
Vehicles	5,000
Furniture and equipment	5,000
Library books	Aggregated annual purchases

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued):

Capital Assets (continued) – Capital assets of the Agency are depreciated using the straight-line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50
Building improvements	20
Vehicles	5
Furniture and equipment	10
Library books	5

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the Agency after the measurement date, but before the end of the Agency’s reporting period.

Salaries and Benefits Payable – Payroll and related expenses for all licensed staff with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Advances from Grantors – Grant proceeds which have been received by the Agency but will be spent in a succeeding fiscal year.

Compensated Absences – Agency employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability has been recorded in the Statement of Net Position representing the Agency’s commitment to fund non-current compensated absences. This liability has been computed based on rates of pay in effect at June 30, 2018. The compensated absences liability attributable to the governmental activities will be paid primarily by the General and Special Revenue Funds.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees’ Retirement System (IPERS) and additions to/deductions from IPERS’ fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General and Special Revenue Funds.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued):

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred inflows of resources to OPEB and OPEB expense, information has been determined based on the Prairie Lakes Area Education Agency’s actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General and Special Revenue Funds.

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of receivables not collected within 60 days after year end.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments and unrecognized items not yet charged as a reduction in OPEB expense.

Fund Balances – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Directors through resolution approved prior to year-end. Committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same action it employed to commit these amounts.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

F. Subsequent Events

Subsequent events have been evaluated through January 11, 2019, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Note 2. Cash and Pooled Investments

The Agency's deposits in banks at June 30, 2018, were entirely covered by Federal depository insurance or by the state sinking fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The Agency is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest Rate Risk – The Agency's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the Agency.

Custodial Credit Risk – All invested assets of the Agency involving the use of public funds custodial agreement, as defined in Section 452.10 of the Iowa Code, shall comply with all rules adopted pursuant to Section 452.10C and any replacement section. All custodial agreements shall be in writing and contain a provision that custodial services be provided in accordance with the laws of the state of Iowa.

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

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

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 157,212	\$ -	\$ -	\$ 157,212
Total capital assets not being depreciated	157,212	-	-	157,212
Capital assets being depreciated:				
Buildings and improvements	5,352,228	68,914	-	5,421,142
Furniture and equipment	1,722,451	166,878	-	1,889,329
Vehicles	104,458	29,746	-	134,204
Library books and films	1,121,017	23,126	206,513	937,630
Total capital assets being depreciated	8,300,154	288,664	206,513	8,382,305
Less accumulated depreciation for:				
Buildings and improvements	1,695,548	126,813	-	1,822,361
Furniture and equipment	1,098,235	105,871	-	1,204,106
Vehicles	83,625	5,576	-	89,201
Library books and films	835,958	21,307	154,885	702,380
	3,713,366	259,567	154,885	3,818,048
Total capital assets being depreciated, net	4,586,788	29,097	51,628	4,564,257
Governmental activities capital assets, net	\$ 4,744,000	\$ 29,097	\$ 51,628	\$ 4,721,469

Depreciation expense was charged to the following functions:

Governmental activities:

Student support services	\$ 33,851
Instructional staff support services	16,963
General administration	10,325
Building administration	50,156
Plant operations and maintenance	142,696
Central and other support services	5,576

Total depreciation expense - governmental activities

\$ 259,567

NOTES TO FINANCIAL STATEMENTS

Note 4. Long-term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2018 is as follows:

	Balance Beginning of Year (as restated)	Additions	Reductions	Balance End of Year	Due Within One Year
Certificates of Participation	\$ 430,000	\$ -	\$ 430,000	\$ -	\$ -
Compensated absences	47,599	7,354	8,346	46,607	46,607
Early retirement obligation	324,347	-	77,437	246,910	70,455
Net pension liability	14,097,346	-	1,096,737	13,000,609	-
Total OPEB liability	1,606,593	-	71,355	1,535,238	-
	\$ 16,505,885	\$ 7,354	\$ 1,683,875	\$ 14,829,364	\$ 117,062

Early Retirement Obligation:

In December, 2015, the Agency approved a voluntary early retirement plan for employees. Eligible employees must have completed at least ten years of full-time service to the Agency and must have reached the age of fifty-nine or meet the Iowa Public Employees' Retirement System "Rule of 88" prior to August 31, 2016. The application for early retirement is subject to approval by the Board of Directors.

Early retirement benefits are equal to \$7,617 paid toward health insurance premiums.

Early retirement benefits will be paid in monthly installments for the lesser of six years or the employee reaching Medicare eligibility.

At June 30, 2018, the Agency has obligations to 10 participants with a total liability of \$246,910. Actual early retirement expenditures for the year ended June 30, 2018 totaled \$77,437.

NOTES TO FINANCIAL STATEMENTS

Note 5. Operating Leases

The Agency has leased various facilities within the area to support and house the different regions of the Agency. These leases have been classified as operating leases and, accordingly, all rents are charged to expenditures as incurred. The leases expire between June 30, 2019 and September 30, 2023. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases.

The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining non-cancellable lease terms in excess of one year as of June 30, 2018.

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 36,820
2020	16,020
2021	16,020
2022	13,815
2023	7,200
Thereafter	<u>1,800</u>
	<u>\$ 91,675</u>

The total rental expenditures for the year ended June 30, 2018 for all operating leases, except those with terms of a month or less that were not renewed, was \$35,320.

Note 6. Lease of Office Space

The Agency, as lessor, leases 55% of a building as office space to several entities. The lease terms expire in various years through 2024 and range from \$6,240 to \$30,000 per lease annually.

At June 30, 2018, future minimum lease payments receivable under non-cancellable operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 74,735
2020	53,668
2021	16,334
2022	16,334
2023	16,661
Thereafter	<u>16,661</u>
	<u>\$ 194,393</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan

Plan Description – IPERS membership is mandatory for employees of the Agency, except for those covered by another retirement system. Employees of the Agency are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2018, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the Agency contributed 8.93% of covered payroll, for a total rate of 14.88%.

The Agency’s contributions to IPERS for the year ended June 30, 2018 were \$1,308,017.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2018, the Agency reported a liability of \$13,000,609 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency’s proportion of the net pension liability was based on the Agency’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2017, the Agency’s collective proportion was 0.195167%, which was a decrease of 0.028838% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Agency recognized pension expense of \$1,754,924. At June 30, 2018, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 119,358	\$ 112,640
Changes of assumptions	2,258,906	-
Net difference between projected and actual earnings on IPERS' investments	-	135,787
Changes in proportion and differences between Agency contributions and the Agency's proportionate share of contributions	621,136	1,456,131
Agency contributions subsequent to the measurement date	1,308,017	-
	<u>\$ 4,307,417</u>	<u>\$ 1,704,558</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued) – \$1,308,017 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2019	\$ 281,726
2020	893,218
2021	295,219
2022	(242,251)
2023	66,930
	<u>\$ 1,294,842</u>

There are no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study dated March 24, 2017.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

Actuarial Assumptions (continued) – The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	24.0 %	6.25 %
International equity	16.0	6.71
Core plus fixed income	27.0	2.25
Public credit	3.5	3.46
Public real assets	7.0	3.27
Cash	1.0	(0.31)
Private equity	11.0	11.15
Private real assets	7.5	4.18
Private credit	3.0	4.25
	<u>100.0 %</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the Agency will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Agency's proportionate share of the net pension liability	\$ 21,419,789	\$ 13,000,609	\$ 5,926,881

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

IPERS Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS – At June 30, 2018, the Agency reported payables to IPERS of \$0 for legally required Agency contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 8. Other Postemployment Benefits (OPEB)

Plan Description – The Agency administers a single-employer benefit plan that provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by Prairie Lakes Area Education Agency and are eligible to participate in the group health plan are eligible to continue the healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	26
Active employees	<u>230</u>
	<u>256</u>

Total OPEB Liability – The Agency's total OPEB liability of \$1,535,238 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Postemployment Benefits (OPEB) (Continued)

Actuarial Assumptions – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2018)	3.00% per annum.
Rates of salary increase (effective June 30, 2018)	3.50% per annum.
Discount rate (effective June 30, 2018)	3.87% compounded annually.
Healthcare cost trend rate (effective June 30, 2018)	7.00% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.87% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability –

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year, as restated	\$ 1,606,593
Changes for the year:	
Service cost	114,971
Interest	62,348
Changes in assumptions	(27,856)
Benefit payments	(220,818)
Net changes	<u>(71,355)</u>
Total OPEB liability end of year	<u>\$ 1,535,238</u>

Changes of assumptions reflect a change in the discount rate from 3.58% in fiscal year 2017 to 3.87% in fiscal year 2018.

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Postemployment Benefits (OPEB) (Continued)

Sensitivity of the Agency’s Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.87%) or 1% higher (4.87%) than the current discount rate.

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 1,634,000	\$ 1,535,238	\$ 1,444,000

Sensitivity of the Agency’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Agency, as well as what the Agency’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rates.

	1% Decrease (6.00%)	Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB liability	\$ 1,350,000	\$ 1,535,238	\$ 1,773,000

OPEB Expense and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2018, the Agency recognized OPEB expense of \$174,420. At June 30, 2018, the Agency reported deferred inflows of resources related to OPEB from the following resources:

	Deferred Inflows of Resources
Changes in assumptions	\$ 24,957
Total	\$ 24,957

NOTES TO FINANCIAL STATEMENTS

Note 8. Other Postemployment Benefits (OPEB) (Continued)

OPEB Expense and Deferred Inflows of Resources Rated to OPEB (continued) – The amount reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2019	\$ 2,899
2020	2,899
2021	2,899
2022	2,899
2023	2,899
Thereafter	<u>10,462</u>
	<u>\$ 24,957</u>

Note 9. Risk Management

The Agency is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Agency assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Agency has a partial self-funded health plan for its employees. The Agency assumes liability for the difference between a higher deductible and higher out-of-pocket maximum plan than the plan offered to the employees. The plan purchased by the Agency has a deductible and out-of-pocket maximum 5 times the plan offered to the employees. The Agency also self-funds the difference between the prescription benefit and the co-pay amount.

At June 30, 2018, the Agency's reserve was \$107,639.

Note 10. Deficit Balance

The Agency had a governmental activities deficit net position balance of \$4,011,831 at June 30, 2018, primarily due to the net pension liability.

NOTES TO FINANCIAL STATEMENTS

Note 11. Early Childhood Iowa Area Board

The Agency is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 2561 of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the Agency's financial statements as an Agency Fund because of the Agency's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2018 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State of Iowa grants:			
Early childhood	\$ 43,595	\$ -	\$ 43,595
Quality improvement	-	59,559	59,559
Allocation for administration	-	12,462	12,462
School ready general use	-	343,375	343,375
Total revenues	43,595	415,396	458,991
Expenditures:			
Program services:			
Early childhood	48,679	-	48,679
Quality improvement	-	25,751	25,751
School ready general use	-	321,826	321,826
Total program services	48,679	347,577	396,256
Administration	-	46,280	46,280
Total expenditures	48,679	393,857	442,536
Change in fund balance	(5,084)	21,539	16,455
Fund balance, beginning of year	5,084	30,764	35,848
Fund balance, end of year	\$ -	\$ 52,303	\$ 52,303

NOTES TO FINANCIAL STATEMENTS

Note 12. Categorical Funding

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2018.

<u>Program</u>	<u>Amount</u>
Professional development	<u>\$ 79,985</u>

Note 13. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) was implemented during fiscal year 2018. The revised requirements establish new financial reporting requirements for state and local government which provide their employees with OPEB benefits, including additional note disclosure and required supplementary information. In addition, GASB Statement No. 75 requires a state or local government employer to use the entry age normal actuarial cost method, and requires deferred outflows of resources and deferred inflows of resources which arise from other types of events related to OPEB to be recognized. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources are not reported. Beginning net position for governmental activities was restated to retroactively report the change in valuation of the beginning total OPEB liability, as follows:

	<u>Governmental Activities</u>
Net position June 30, 2017, as previously reported	\$ (2,495,306)
OPEB asset measured under previous standards	(552,000)
Total OPEB liability at June 30, 2017	<u>(1,606,593)</u>
Net position July 1, 2017, as restated	<u>\$ (4,653,899)</u>

REQUIRED SUPPLEMENTARY INFORMATION

PRAIRIE LAKES AREA EDUCATION AGENCY

**SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND
CHANGES IN BALANCES -- BUDGET AND ACTUAL --
ALL GOVERNMENTAL FUNDS**

**Required Supplementary Information
Year Ended June 30, 2018**

	Governmental	
	Funds	Total
	Actual	Actual
Revenues:		
Local sources	\$ 8,671,268	\$ 8,671,268
State sources	8,226,157	8,226,157
Federal sources	8,792,078	8,792,078
Total revenues	25,689,503	25,689,503
Expenditures/Expenses:		
Current:		
Instruction	1,026,876	1,026,876
Student support services	15,304,040	15,304,040
Instructional staff support services	3,404,948	3,404,948
General administration	496,070	496,070
Business administration	2,478,807	2,478,807
Plant operations and maintenance	774,185	774,185
Central and other support services	1,332,491	1,332,491
Non instructional programs	104,177	104,177
Debt service	447,577	447,577
Total expenditures/expenses	25,369,171	25,369,171
Excess of revenues over expenditures/expenses	320,332	320,332
Balance, beginning of year	3,197,830	3,197,830
Balance, end of year	\$ 3,518,162	\$ 3,518,162

See accompanying Independent Auditor's Report.

Budgeted Amounts		Final to
Original	Final	Actual
		Variance
\$ 8,588,422	\$ 8,839,036	\$ (167,768)
9,443,268	8,344,832	(118,675)
8,439,798	8,850,271	(58,193)
26,471,488	26,034,139	(344,636)
1,225,000	1,182,109	155,233
18,336,644	16,850,943	1,546,903
2,209,010	2,806,879	(598,069)
730,246	319,933	(176,137)
1,805,404	2,200,247	(278,560)
635,393	1,011,678	237,493
1,271,078	1,251,345	(81,146)
106,135	106,250	2,073
152,578	304,755	(142,822)
26,471,488	26,034,139	664,968
-	-	320,332
2,626,849	3,197,830	-
\$ 2,626,849	\$ 3,197,830	\$ 320,332

PRAIRIE LAKES AREA EDUCATION AGENCY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

June 30, 2018

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

The Agency's Board of Directors annually prepares a budget on a basis consistent with U.S. generally accepted accounting principles for all funds except Agency Funds. Although the budget document presents function expenditures/expenses by fund, the legal level of control is at the total expenditure/expense level, not by fund. After required public notice and hearing in accordance with the Code of Iowa, the Board submits its budget to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board.

For the year ended June 30, 2018, the Agency's expenditures/expenses did not exceed the approved budget.

PRAIRIE LAKES AREA EDUCATION AGENCY

**SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Iowa Public Employees' Retirement System

For the Last Four Years *

(In Thousands)

Required Supplementary Information

	2018	2017	2016	2015
Agency's proportion of the net pension liability	0.195167%	0.224005%	0.233806%	0.215567%
Agency's proportionate share of the net pension liability	\$ 13,001	\$ 14,097	\$ 11,551	\$ 8,549
Agency's covered payroll	\$ 14,568	\$ 16,077	\$ 16,183	\$ 14,295
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	89.24%	87.68%	71.38%	59.80%
IPERS' net position as a percentage of the total pension liability	82.21%	81.82%	85.19%	87.61%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten-year trend is compiled, the Agency will present information for those years for which information is available.

See accompanying Independent Auditor's Report.

PRAIRIE LAKES AREA EDUCATION AGENCY

SCHEDULE OF AGENCY CONTRIBUTIONS

Iowa Public Employees' Retirement System

For the Last Ten Fiscal Years

(In Thousands)

Required Supplementary Information

	2018	2017	2016	2015
Statutorily required contribution	\$ 1,308	\$ 1,301	\$ 1,436	\$ 1,445
Contributions in relation to the statutorily required contribution	(1,308)	(1,301)	(1,436)	(1,445)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Agency's covered payroll	\$ 14,647	\$ 14,568	\$ 16,077	\$ 16,183
Contributions as a percentage of covered payroll	8.93%	8.93%	8.93%	8.93%

See accompanying Independent Auditor's Report.

2014	2013	2012	2011	2010	2009
\$ 1,277	\$ 1,142	\$ 1,015	\$ 941	\$ 930	\$ 811
(1,277)	(1,142)	(1,015)	(941)	(930)	(811)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 14,295	\$ 13,169	\$ 12,582	\$ 13,545	\$ 13,990	\$ 12,778
8.93%	8.67%	8.07%	6.95%	6.65%	6.35%

PRAIRIE LAKES AREA EDUCATION AGENCY

Notes to Required Supplementary Information – Pension Liability June 30, 2018

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3.0% per year measured from the member's first unreduced retirement age to a 6.0% reduction for each year of retirement before age 65.

Changes of assumptions:

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

PRAIRIE LAKES AREA EDUCATION AGENCY

**SCHEDULE OF CHANGES IN THE AGENCY'S TOTAL OPEB LIABILITY,
RELATED RATIOS AND NOTES**

**For the Current Year
Required Supplementary Information**

	<u>2018</u>
Service Cost	\$ 114,971
Interest Cost	62,348
Changes in assumptions	(27,856)
Benefit payments	<u>(220,818)</u>
Net change in total OPEB liability	(71,355)
Total OPEB liability beginning of year, as restated	<u>1,606,593</u>
Total OPEB liability end of year	<u><u>\$ 1,535,238</u></u>
Covered-employee payroll	\$ 17,056,089
Total OPEB liability as a percentage of covered-employee payroll	9.0%

Notes to Schedule of Changes in the Agency's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

PRAIRIE LAKES AREA EDUCATION AGENCY

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2018

	<u>Special Revenue</u>		<u>Debt Service</u>		<u>Total</u>
	<u>Juvenile Home</u>		<u>Service</u>		<u>Total</u>
Assets					
Cash and pooled investments	\$ 89,893	\$	-	\$	89,893
Total assets	<u>\$ 89,893</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>89,893</u>
Liabilities and Fund Balances					
Liabilities:					
Salaries and benefits payable	\$ 34,920	\$	-	\$	34,920
Advances from grantors	54,973		-		54,973
Total liabilities	<u>89,893</u>	<u></u>	<u>-</u>	<u></u>	<u>89,893</u>
Fund balances:					
Restricted for:					
Debt service	-		-		-
Total fund balances	<u>-</u>	<u></u>	<u>-</u>	<u></u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 89,893</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>89,893</u>

See accompanying Independent Auditor's Report.

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

Year Ended June 30, 2018

	Special Revenue		Total
	Juvenile Home	Debt Service	
Revenues:			
Local sources	\$ -	\$ 1,228	\$ 1,228
State sources	244,380	-	244,380
Total revenues	<u>244,380</u>	<u>1,228</u>	<u>245,608</u>
Expenditures:			
Current:			
Instruction	244,380	-	244,380
Debt service	-	447,577	447,577
Total expenditures	<u>244,380</u>	<u>447,577</u>	<u>447,577</u>
(Deficiency) of revenues (under) expenditures	-	(446,349)	(446,349)
Other financing sources:			
Transfers in	-	297,125	297,125
Change in fund balance	-	(149,224)	(149,224)
Fund balances beginning of year	-	149,224	149,224
Fund balances end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.

**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
 AGENCY FUNDS
 Year Ended June 30, 2018**

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets:				
Cash	\$ 35,848	\$ 458,991	\$ 442,536	\$ 52,303
Total assets	\$ 35,848	\$ 458,991	\$ 442,536	\$ 52,303
Liabilities:				
Due to other governments	\$ 35,848	\$ 458,991	\$ 442,536	\$ 52,303
Total liabilities	\$ 35,848	\$ 458,991	\$ 442,536	\$ 52,303

PRAIRIE LAKES AREA EDUCATION AGENCY

**SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES
BY FUNCTION -- ALL GOVERNMENTAL FUNDS
For the Last Ten Years**

	2018	2017	2016	2015
Revenues:				
Local	\$ 8,671,268	\$ 8,813,332	\$ 8,870,523	\$ 8,456,982
State	8,226,157	8,102,174	8,530,389	8,409,177
Federal	8,792,078	8,446,329	9,428,470	9,491,846
Total	\$ 25,689,503	\$ 25,361,835	\$ 26,829,382	\$ 26,358,005
Expenditures:				
Current:				
Instruction	\$ 1,026,876	\$ 1,168,488	\$ 1,174,573	\$ 1,090,824
Student support services	15,408,217	17,249,418	18,382,274	18,734,907
Instructional staff support services	3,404,948	1,633,731	2,233,592	2,061,800
General administration	496,070	460,541	738,372	971,800
Business administration	2,478,807	2,516,637	2,349,804	1,760,604
Plant operations and maintenance	774,185	557,896	642,464	750,094
Central and other support services	1,332,491	1,056,566	1,054,252	1,624,239
Facilities acquisition and construction	-	-	-	-
Debt service	447,577	147,577	152,390	151,890
Total	\$ 25,369,171	\$ 24,790,854	\$ 26,727,721	\$ 27,146,158

Schedule 4

Modified Accrual Basis					
2014	2013	2012	2011	2010	2009
\$ 8,927,821	\$ 7,503,344	\$ 7,508,883	\$ 7,430,401	\$ 7,214,831	\$ 7,255,444
7,994,815	7,517,247	7,256,771	8,662,465	7,898,189	8,816,888
8,236,347	8,324,354	7,815,655	9,729,231	14,630,063	10,430,610
\$ 25,158,983	\$ 23,344,945	\$ 22,581,309	\$ 25,822,097	\$ 29,743,083	\$ 26,502,942
\$ 578,952	\$ 502,061	\$ 480,958	\$ 656,783	\$ 629,039	\$ 598,745
18,206,259	16,398,182	9,889,858	10,216,925	14,744,364	11,653,983
2,290,147	2,075,943	7,640,591	7,835,633	7,934,751	8,852,222
975,125	848,890	848,990	811,244	840,582	851,999
1,508,670	1,467,786	1,218,065	1,018,588	934,201	1,024,100
620,093	625,547	550,510	894,022	886,035	609,018
2,167,518	2,146,578	2,138,593	2,343,009	2,568,216	2,550,666
-	-	-	-	-	-
985,968	185,368	184,305	312,055	242,380	280,624
\$ 27,332,732	\$ 24,250,355	\$ 22,951,870	\$ 24,088,259	\$ 28,779,568	\$ 26,421,357

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Project Title	CFDA Number	Pass-through Grantor's Number	Program Expenditures
Indirect:			
U.S. Department of Education:			
Iowa Department of Education:			
Special Education Cluster (IDEA):			
Special Education Grants to States:			
Early Childhood Education for the Handicapped	84.027	171808	\$ 5,949,799
Early Childhood Education LEA Flow Through	84.027	171808	1,490,805
Parent Educator Connection Project	84.027	7K7408	104,177
Early Literacy Alternate Assessment Manual	84.027	038417	1,610
AEA Special Education Direct Services Leadership Groups	84.027	004718	12,879
AEA Statewide Leadership Leads	84.027	001918	32,603
PBIS State Leadership Team	84.027	012618	7,691
Secondary Transition B13 Data Team	84.027	012018	14,000
			7,613,564
Special Education - Preschool Grants:			
Part B - Section 619, Ages 3-5	84.173	17619-08	256,957
Come Together Right - Part B 619	84.173	032518	1,750
IQPPS System of Support for Continuous Improvement	84.173	Q18-008	11,400
			270,107
			7,883,671
Special Education - Grants for Infants and Families:			
Part C	84.181	C1718-08	222,036
State Personnel Development Grant	84.323	18SPDG-03	112,217
English Language Acquisition State Grant	84.365	17ELA-03	221,073
Title I Grants to Local Educational Agencies, Section 1003	84.010	FY18	212,292
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Medicaid Direct Service Reimbursement:			
Medicaid Direct Services - Part B	93.778	FY18	105,720
Medicaid Direct Services - Part C	93.778	FY18	35,069
			140,789
Total expenditures of federal awards			\$ 8,792,078

(Continued on next page)

PRAIRIE LAKES AREA EDUCATION AGENCY

**Schedule 5
(Continued)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018**

Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Prairie Lakes Area Education Agency under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Prairie Lakes Area Education Agency, it is not intended to and does not present the financial position, changes in financial position or cash flows of Prairie Lakes Area Education Agency.

Summary of Significant Accounting Policies: Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate: Prairie Lakes Area Education Agency has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying Independent Auditor's Report.

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**Independent Auditor's Report
on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance
with Government Auditing Standards**

To the Board of Directors of
Prairie Lakes Area Education Agency
Fort Dodge, Iowa

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Prairie Lakes Area Education Agency as of and for the year ended June 30, 2018, and the related Notes to Financial Statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated January 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Prairie Lakes Area Education Agency's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Prairie Lakes Area Education Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Prairie Lakes Area Education Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Agency's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Prairie Lakes Area Education Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about Prairie Lakes Area Education Agency's operations for the year ended June 30, 2018 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Prairie Lakes Area Education Agency. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Prairie Lakes Area Education Agency's Responses to Findings

Prairie Lakes Area Education Agency's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Prairie Lakes Area Education Agency's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schnur & Company, LLP

Fort Dodge, Iowa
January 11, 2019

PRAIRIE LAKES AREA EDUCATION AGENCY

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**Independent Auditor's Report
on Compliance for Each Major Federal Program
and on Internal Control over Compliance
Required by the Uniform Guidance**

To the Board of Directors of
Prairie Lakes Area Education Agency
Fort Dodge, Iowa

Report on Compliance for Each Major Federal Program

We have audited Prairie Lakes Area Education Agency's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018. Prairie Lakes Area Education Agency's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Prairie Lakes Area Education Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Prairie Lakes Area Education Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of Prairie Lakes Area Education Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, Prairie Lakes Area Education Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

The management of Prairie Lakes Area Education Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Prairie Lakes Area Education Agency's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Prairie Lakes Area Education Agency's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schnum & Company, LLP

Fort Dodge, Iowa
January 11, 2019

PRAIRIE LAKES AREA EDUCATION AGENCY

Schedule of Findings and Questioned Costs Year ended June 30, 2018

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting practices.
- (b) No significant deficiencies or material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No significant deficiencies or material weaknesses in internal control over the major federal award programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major programs were:
 - Special Education Cluster (IDEA):
 - CFDA Number 84.027 – Special Education – Grants to States
 - CFDA Number 84.173 – Special Education – Preschool Grants
 - CFDA Number 84.010 – Title I Grants to Local Education Agencies
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Prairie Lakes Area Education Agency qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

Material Weakness:

No matters were noted.

Instances of Non-Compliance:

No matters were noted.

**Schedule of Findings and Questioned Costs
Year ended June 30, 2018**

Part III: Findings and Questioned Costs For Federal Awards:

Instances of Non-Compliance:

No matters were noted.

Material Weakness:

No matters were noted.

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-18 Certified Budget – Expenditures during the year ended June 30, 2018 did not exceed the amounts budgeted.
- IV-B-18 Questionable Expenditures – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-18 Travel Expense – No expenditures of Agency money for travel expenses of spouses of Agency officials or employees were noted.
- IV-D-18 Business Transactions – No business transactions between the Agency and Agency officials or employees were noted.
- IV-E-18 Bond Coverage – Surety bond coverage of Agency officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- IV-F-18 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-18 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Agency's investment policy were noted.
- IV-H-18 Certified Annual Report – The Certified Annual Report was certified timely to the Iowa Department of Education.
- IV-I-18 Categorical Funding – No instances of categorical funding being used to supplant rather than supplement other funds were noted.

**Schedule of Findings and Questioned Costs
Year ended June 30, 2018**

Part IV: Other Findings Related to Required Statutory Reporting (Continued):

IV-J-18 Early Childhood Iowa Area Board – Prairie Lakes Area Education Agency is the fiscal agent for the Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the Agency’s financial statements as an Agency Fund because of the Agency’s fiduciary relationship with the organization.

No instances of non-compliance were noted as a result of audit procedures performed.

IV-K-18 Financial Condition – The Agency’s governmental activities has a deficit net position of \$4,011,831 at June 30, 2018.

Recommendation – The Agency should investigate alternatives to eliminate this deficit to return this fund to a sound financial position.

Response – The deficit was the result of recognizing the Agency’s proportionate share of IPERS’ net pension liability. The Agency realizes this liability is not due and payable immediately. Rather, the pension liability will be paid down over a period of time with the Agency’s future employer share of IPERS contributions.

Conclusion – Response accepted.

Prairie Lakes AEA
Board Bills
January 21, 2019

Check	Check Date	Payable To	Description	Amount
85724	12/20/2018	Gary Astor	Nov-Dec Travel expense	\$ 62.40
85724	12/20/2018	Gary Astor	Nov-Dec Travel expense	\$ 148.22
85725	12/20/2018	Benefits, Inc.	Claims paid 12/17 to 12/21	\$ 1,302.76
85726	12/20/2018	Century Link	Telephone/Forest Ridge	\$ 97.14
85727	12/20/2018	Iowa Schools Employee	Health Insurance January 2019	\$ 209,199.66
85728	12/20/2018	Midamerican Energy Company	Utilities/Algona Office	\$ 123.61
				<u>\$ 210,933.79</u>
85729	1/1/2019	Camp Algona POW Project, Inc.	January 2019 Rent	\$ 600.00
85730	1/1/2019	Estherville Industrial Development Corporatio	January 2019 Rent	\$ 735.00
85731	1/1/2019	Spencer CSD	January-June 2019 Rent	\$ 7,500.00
85732	1/1/2019	Webster City CSD	January-June 2019 Rent	\$ 1,250.00
				<u>\$ 10,085.00</u>
85733	1/4/2019	Algona Municipal Utilities	Internet/Algona	\$ 250.00
85733	1/4/2019	Algona Municipal Utilities	Ulilities/Water/Sewer	\$ 349.12
85734	1/4/2019	Alliant Energy	Utilities/Jefferson	\$ 456.41
85734	1/4/2019	Alliant Energy	Utilities/Jefferson Apart.	\$ 30.31
85735	1/4/2019	Amazon.com	Book/M.Fisher - Title III	\$ 192.35
85735	1/4/2019	Amazon.com	First Aid Kit/Algona Office	\$ 36.36
85735	1/4/2019	Amazon.com	Instructional Materials - ELL	\$ 42.75
85735	1/4/2019	Amazon.com	Instructional Supplies/K.Pohlm	\$ (0.80)
85735	1/4/2019	Amazon.com	Lending Library Supplies	\$ 59.09
85735	1/4/2019	Amazon.com	Office Supplies/Spencer Office	\$ 131.29
85735	1/4/2019	Amazon.com	Office Supplies/YSC	\$ 32.66
85735	1/4/2019	Amazon.com	Supplies - Assistive Technology	\$ 14.38
85735	1/4/2019	Amazon.com	Supplies - D.Krause	\$ 48.66
85735	1/4/2019	Amazon.com	Supplies - LPS	\$ 166.04
85735	1/4/2019	Amazon.com	Supplies - S.Legleiter	\$ 40.42
85735	1/4/2019	Amazon.com	Supplies - Trauma Conference	\$ 80.24
85735	1/4/2019	Amazon.com	Supplies/B.Maschman	\$ 73.90
85735	1/4/2019	Amazon.com	Supplies/Book/J.Grabner	\$ 42.13
85735	1/4/2019	Amazon.com	Supplies/Books/ELL	\$ 42.75
85735	1/4/2019	Amazon.com	Supplies/Books/ELLCO Grant	\$ 555.50
85735	1/4/2019	Amazon.com	Supplies/First Aid Kits/Agency	\$ 218.16
85735	1/4/2019	Amazon.com	Supplies/J.Henscheid	\$ 8.99
85735	1/4/2019	Amazon.com	Supplies/OT	\$ 35.30
85735	1/4/2019	Amazon.com	Supplies/Poky Office	\$ 126.20
85735	1/4/2019	Amazon.com	Supplies/YSC	\$ 50.55
85735	1/4/2019	Amazon.com	Technology Supplies - DELL D6	\$ 139.09
85735	1/4/2019	Amazon.com	Technology Supplies - HDMI Cable	\$ 64.80
85736	1/4/2019	City of Estherville	Utilities/Garbage	\$ 136.30
85737	1/4/2019	City of Jefferson	Water/Garbage	\$ 27.49

Prairie Lakes AEA
Board Bills
January 21, 2019

Check	Check Date	Payable To	Description	Amount
85738	1/4/2019	City of Pocahontas	Utilities/Water/Sewer	\$ 4,166.84
85739	1/4/2019	Culligan Water Conditioning	Water/FD Office	\$ 54.87
85739	1/4/2019	Culligan Water Conditioning	Water/Webster City	\$ 49.02
85740	1/4/2019	Dump It Sanitation & Recycling, Inc.	Garbage Hauling/Algona	\$ 60.00
85741	1/4/2019	Fort Dodge Water Department	Water/FD Office	\$ 92.74
85742	1/4/2019	Frontier Communications Of Ia	Telephone/FD	\$ 314.83
85743	1/4/2019	Hope Haven, Inc.	Janitorial/Estherville Office	\$ 170.00
85744	1/4/2019	Jefferson Telecom	Telephone/Jefferson Apt.	\$ 88.48
85744	1/4/2019	Jefferson Telecom	Telephone/Jefferson	\$ 539.10
85745	1/4/2019	Pitney Bowes Inc	Postage Meter Leases	\$ 832.20
85746	1/4/2019	Pitney Bowes Purchase Power	Postage - Phone Support	\$ 200.00
85747	1/4/2019	Powhatan Travel Service	Travel/Airline Tickets/J.Rand	\$ 476.40
85747	1/4/2019	Powhatan Travel Service	Travel/PD - J.Peter	\$ 549.60
85748	1/4/2019	Staples Advantage	Office Supleis/Algona & Estherville	\$ 125.46
85748	1/4/2019	Staples Advantage	Office Supplies/Algona	\$ 351.41
85748	1/4/2019	Staples Advantage	Office Supplies/Estherville	\$ 235.11
85748	1/4/2019	Staples Advantage	Office Supplies/Jefferson	\$ 196.57
85748	1/4/2019	Staples Advantage	Office Supplies/Poky	\$ 147.87
85748	1/4/2019	Staples Advantage	Supplies - Early Childhood Grant	\$ 109.87
85748	1/4/2019	Staples Advantage	Supplies - K.Ahrens	\$ 102.54
85748	1/4/2019	Staples Advantage	Supplies - Media Department	\$ 212.75
85748	1/4/2019	Staples Advantage	Supplies - SPED Binders	\$ 84.98
85748	1/4/2019	Staples Advantage	Supplies/YSC	\$ 235.88
85749	1/4/2019	United Parcel Service	Media Production - Shipping	\$ 63.27
85750	1/4/2019	Verizon Wireless	Mobile Hot Spots	\$ 502.83
85751	1/4/2019	WINDSTREAM	Telephone/SL Office	\$ 234.09
85752	1/4/2019	Woolstock Mutual Telephone Assn.	Internet/Webster City	\$ 125.00
				<u>\$ 13,772.15</u>
85753	1/11/2019	Benefits, Inc.	Claims paid 1/7 to 1/11	<u>\$ 8,363.67</u>
1	1/21/2019	Harriet Adams	DECEMBER 2018 TRAVEL EXPENSES	\$ 87.32
2	1/21/2019	Kris Ahrens	DECEMBER 2018 TRAVEL EXPENSES	\$ 411.84
3	1/21/2019	Teresa Alesch	DECEMBER 2018 TRAVEL EXPENSES	\$ 83.07
5	1/21/2019	Linda Ankeny	DECEMBER 2018 TRAVEL EXPENSES	\$ 191.16
6	1/21/2019	Tracy Baak	DECEMBER 2018 TRAVEL EXPENSES	\$ 288.99
7	1/21/2019	Kerrie Baish	DECEMBER 2018 TRAVEL EXPENSES	\$ 76.44
8	1/21/2019	Amy Barber	DECEMBER 2018 TRAVEL EXPENSES	\$ 414.57
9	1/21/2019	Yvette Bardole	DECEMBER 2018 TRAVEL EXPENSES	\$ 59.28
10	1/21/2019	Gloria Bartelt	DECEMBER 2018 TRAVEL EXPENSES	\$ 138.06
11	1/21/2019	Kathy Behrens	DECEMBER 2018 TRAVEL EXPENSES	\$ 346.71
12	1/21/2019	Lori Beltran	DECEMBER 2018 TRAVEL EXPENSES	\$ 159.12
14	1/21/2019	Summer Boes	DECEMBER 2018 TRAVEL EXPENSES	\$ 336.96

Prairie Lakes AEA
Board Bills
January 21, 2019

Check	Check Date	Payable To	Description	Amount
15	1/21/2019	Andrea Bollenbaugh	DECEMBER 2018 TRAVEL EXPENSES	\$ 121.68
16	1/21/2019	Beth Borchardt	DECEMBER 2018 TRAVEL EXPENSES	\$ 86.97
17	1/21/2019	Scott Boughey	DECEMBER 2018 TRAVEL EXPENSES	\$ 218.79
18	1/21/2019	Kathy Broek	DECEMBER 2018 TRAVEL EXPENSES	\$ 105.30
19	1/21/2019	Cheri C. Brown	DECEMBER 2018 TRAVEL EXPENSES	\$ 279.24
20	1/21/2019	Gretchen Brown	DECEMBER 2018 TRAVEL EXPENSES	\$ 329.55
21	1/21/2019	Hope Brown	DECEMBER 2018 TRAVEL EXPENSES	\$ 279.24
22	1/21/2019	Carrie Buddenhagen	DECEMBER 2018 TRAVEL EXPENSES	\$ 57.33
23	1/21/2019	Rebecca Bunnell	DECEMBER 2018 TRAVEL EXPENSES	\$ 100.62
24	1/21/2019	Patricia Burma	DECEMBER 2018 TRAVEL EXPENSES	\$ 566.67
25	1/21/2019	Susan Burnside	DECEMBER 2018 TRAVEL EXPENSES	\$ 136.11
26	1/21/2019	Tracey E Carlson	DECEMBER 2018 TRAVEL EXPENSES	\$ 172.77
27	1/21/2019	Lori Caron	DECEMBER 2018 TRAVEL EXPENSES	\$ 174.33
28	1/21/2019	Alicia Cassidy	DECEMBER 2018 TRAVEL EXPENSES	\$ 155.61
29	1/21/2019	Amy Johnson Champagne	DECEMBER 2018 TRAVEL EXPENSES	\$ 54.60
30	1/21/2019	Tricia Christopher	DECEMBER 2018 TRAVEL EXPENSES	\$ 186.81
31	1/21/2019	Chris Conell	DECEMBER 2018 TRAVEL EXPENSES	\$ 24.96
32	1/21/2019	Kathline Conn	DECEMBER 2018 TRAVEL EXPENSES	\$ 253.50
33	1/21/2019	Patricia Connors	DECEMBER 2018 TRAVEL EXPENSES	\$ 340.08
34	1/21/2019	Shelley Conover	DECEMBER 2018 TRAVEL EXPENSES	\$ 243.75
35	1/21/2019	Michelle Conrad	DECEMBER 2018 TRAVEL EXPENSES	\$ 227.76
36	1/21/2019	Elizabeth Cooper	DECEMBER 2018 TRAVEL EXPENSES	\$ 486.72
37	1/21/2019	Julia Crouch	DECEMBER 2018 TRAVEL EXPENSES	\$ 323.31
38	1/21/2019	Amanda DeLancey	DECEMBER 2018 TRAVEL EXPENSES	\$ 222.30
39	1/21/2019	Tabitha DeMey	DECEMBER 2018 TRAVEL EXPENSES	\$ 237.90
40	1/21/2019	Shannon DeMoss	DECEMBER 2018 TRAVEL EXPENSES	\$ 224.64
41	1/21/2019	Michelle Dowd	DECEMBER 2018 TRAVEL EXPENSES	\$ 86.58
42	1/21/2019	Mary Dunlay	DECEMBER 2018 TRAVEL EXPENSES	\$ 32.76
43	1/21/2019	Lynn Eby	DECEMBER 2018 TRAVEL EXPENSES	\$ 261.69
44	1/21/2019	Becky Eglund	DECEMBER 2018 TRAVEL EXPENSES	\$ 78.39
45	1/21/2019	Janie Eischen	DECEMBER 2018 TRAVEL EXPENSES	\$ 187.59
46	1/21/2019	Molly Elston	DECEMBER 2018 TRAVEL EXPENSES	\$ 106.08
47	1/21/2019	Roni Engeldinger	DECEMBER 2018 TRAVEL EXPENSES	\$ 66.69
48	1/21/2019	Kathryn Fillmore	DECEMBER 2018 TRAVEL EXPENSES	\$ 429.78
49	1/21/2019	Melanie Fisher	DECEMBER 2018 TRAVEL EXPENSES	\$ 338.13
50	1/21/2019	Scott Fosseen	DECEMBER 2018 TRAVEL EXPENSES	\$ 126.75
51	1/21/2019	Leslie Franzmeier	DECEMBER 2018 TRAVEL EXPENSES	\$ 212.16
52	1/21/2019	Emily Frostestad	DECEMBER 2018 TRAVEL EXPENSES	\$ 79.56
53	1/21/2019	Deb Gade	DECEMBER 2018 TRAVEL EXPENSES	\$ 226.98
54	1/21/2019	Brent Gerzema	DECEMBER 2018 TRAVEL EXPENSES	\$ 118.95
56	1/21/2019	Julie Graber	DECEMBER 2018 TRAVEL EXPENSES	\$ 143.52
57	1/21/2019	Treva Graves	DECEMBER 2018 TRAVEL EXPENSES	\$ 20.28
58	1/21/2019	Carrie Guerin	DECEMBER 2018 TRAVEL EXPENSES	\$ 69.84

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59	1/21/2019	Nichole Gustafson	DECEMBER 2018 TRAVEL EXPENSES	\$ 12.48
60	1/21/2019	Joan R. Hansen	DECEMBER 2018 TRAVEL EXPENSES	\$ 48.75
61	1/21/2019	Kathy Hansen	DECEMBER 2018 TRAVEL EXPENSES	\$ 195.00
62	1/21/2019	Glenda Harms	DECEMBER 2018 TRAVEL EXPENSES	\$ 367.07
63	1/21/2019	Linda Harms	DECEMBER 2018 TRAVEL EXPENSES	\$ 214.50
64	1/21/2019	Valerie K. Harmon	DECEMBER 2018 TRAVEL EXPENSES	\$ 301.47
65	1/21/2019	Angela Harvey	DECEMBER 2018 TRAVEL EXPENSES	\$ 478.92
66	1/21/2019	Jessica Hawkins	DECEMBER 2018 TRAVEL EXPENSES	\$ 130.05
67	1/21/2019	Jenny Henscheid	DECEMBER 2018 TRAVEL EXPENSES	\$ 403.65
68	1/21/2019	Cari Hepperle	DECEMBER 2018 TRAVEL EXPENSES	\$ 170.43
69	1/21/2019	Jeff Herzberg	DECEMBER 2018 TRAVEL EXPENSES	\$ 247.26
70	1/21/2019	Maddisen Heun	DECEMBER 2018 TRAVEL EXPENSES	\$ 18.72
71	1/21/2019	Dawn Higgins	DECEMBER 2018 TRAVEL EXPENSES	\$ 596.70
72	1/21/2019	Nicole Hinrichs	DECEMBER 2018 TRAVEL EXPENSES	\$ 224.25
73	1/21/2019	Tina Hoben	DECEMBER 2018 TRAVEL EXPENSES	\$ 20.28
74	1/21/2019	Kristy Hughett	DECEMBER 2018 TRAVEL EXPENSES	\$ 245.31
75	1/21/2019	Coletta Jaeger	DECEMBER 2018 TRAVEL EXPENSES	\$ 48.75
76	1/21/2019	Radina Jansen	DECEMBER 2018 TRAVEL EXPENSES	\$ 229.32
77	1/21/2019	Connie Johnson	DECEMBER 2018 TRAVEL EXPENSES	\$ 157.56
78	1/21/2019	Katie Johnson	DECEMBER 2018 TRAVEL EXPENSES	\$ 221.52
79	1/21/2019	Kimberly Johnson	DECEMBER 2018 TRAVEL EXPENSES	\$ 639.60
80	1/21/2019	Jason Kehoe	DECEMBER 2018 TRAVEL EXPENSES	\$ 131.04
81	1/21/2019	Claire King	DECEMBER 2018 TRAVEL EXPENSES	\$ 108.81
82	1/21/2019	Nicole Kofmehl	DECEMBER 2018 TRAVEL EXPENSES	\$ 11.70
84	1/21/2019	Kathy Jo Kruse	DECEMBER 2018 TRAVEL EXPENSES	\$ 232.44
85	1/21/2019	Tiffany Lammers	DECEMBER 2018 TRAVEL EXPENSES	\$ 87.36
86	1/21/2019	Joanna Lange	DECEMBER 2018 TRAVEL EXPENSES	\$ 411.06
87	1/21/2019	Sally Legleiter	DECEMBER 2018 TRAVEL EXPENSES	\$ 121.29
88	1/21/2019	Addy Leistikow	DECEMBER 2018 TRAVEL EXPENSES	\$ 211.77
89	1/21/2019	Allyson Leners	DECEMBER 2018 TRAVEL EXPENSES	\$ 312.00
90	1/21/2019	Marcie Lentsch	DECEMBER 2018 TRAVEL EXPENSES	\$ 195.78
91	1/21/2019	Lauren Leonard	DECEMBER 2018 TRAVEL EXPENSES	\$ 319.02
92	1/21/2019	Kristy Liechti	DECEMBER 2018 TRAVEL EXPENSES	\$ 489.84
93	1/21/2019	Angie Lockey	DECEMBER 2018 TRAVEL EXPENSES	\$ 87.36
94	1/21/2019	Annette Louk	DECEMBER 2018 TRAVEL EXPENSES	\$ 251.94
95	1/21/2019	Laura Lucchesi	DECEMBER 2018 TRAVEL EXPENSES	\$ 230.49
96	1/21/2019	Denise Lundell	DECEMBER 2018 TRAVEL EXPENSES	\$ 86.97
97	1/21/2019	Kris Manteufel	DECEMBER 2018 TRAVEL EXPENSES	\$ 47.97
98	1/21/2019	Brianna Maschman	DECEMBER 2018 TRAVEL EXPENSES	\$ 329.94
99	1/21/2019	Katie McClurg	DECEMBER 2018 TRAVEL EXPENSES	\$ 25.74
100	1/21/2019	Tammy McKimmey	DECEMBER 2018 TRAVEL EXPENSES	\$ 134.16
101	1/21/2019	Julie Meyer	DECEMBER 2018 TRAVEL EXPENSES	\$ 341.51
102	1/21/2019	Rachel Montag	DECEMBER 2018 TRAVEL EXPENSES	\$ 146.25

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103	1/21/2019	Rachael Mooney	DECEMBER 2018 TRAVEL EXPENSES	\$ 361.14
104	1/21/2019	Dr. Leslie Moore	DECEMBER 2018 TRAVEL EXPENSES	\$ 333.06
105	1/21/2019	Melissa Mulder	DECEMBER 2018 TRAVEL EXPENSES	\$ 405.21
106	1/21/2019	Julie Nadrchal	DECEMBER 2018 TRAVEL EXPENSES	\$ 466.44
107	1/21/2019	Katie Nelson	DECEMBER 2018 TRAVEL EXPENSES	\$ 254.28
108	1/21/2019	Jackie Ohl	DECEMBER 2018 TRAVEL EXPENSES	\$ 193.05
109	1/21/2019	Kelly Olson	DECEMBER 2018 TRAVEL EXPENSES	\$ 42.51
110	1/21/2019	Kathryn Peart	DECEMBER 2018 TRAVEL EXPENSES	\$ 209.82
111	1/21/2019	Rainie Perry	DECEMBER 2018 TRAVEL EXPENSES	\$ 93.99
112	1/21/2019	Amy Peterson	DECEMBER 2018 TRAVEL EXPENSES	\$ 273.78
113	1/21/2019	Cassady Peterson	DECEMBER 2018 TRAVEL EXPENSES	\$ 234.78
114	1/21/2019	Jennifer Peter	DECEMBER 2018 TRAVEL EXPENSES	\$ 340.86
115	1/21/2019	Kimberly Peterson	DECEMBER 2018 TRAVEL EXPENSES	\$ 270.66
116	1/21/2019	Lisa Peterson	DECEMBER 2018 TRAVEL EXPENSES	\$ 381.42
117	1/21/2019	Nicole Peter	DECEMBER 2018 TRAVEL EXPENSES	\$ 235.17
118	1/21/2019	Brianna Pille	DECEMBER 2018 TRAVEL EXPENSES	\$ 231.66
119	1/21/2019	Paula Pholman	DECEMBER 2018 TRAVEL EXPENSES	\$ 172.38
120	1/21/2019	Martha Poland	DECEMBER 2018 TRAVEL EXPENSES	\$ 411.06
121	1/21/2019	Jennifer Prentice	DECEMBER 2018 TRAVEL EXPENSES	\$ 62.40
122	1/21/2019	Amy Profit	DECEMBER 2018 TRAVEL EXPENSES	\$ 294.45
123	1/21/2019	Gale Randall	DECEMBER 2018 TRAVEL EXPENSES	\$ 255.06
124	1/21/2019	Jaymie Randel	DECEMBER 2018 TRAVEL EXPENSES	\$ 1,001.24
125	1/21/2019	Kristine Randell	DECEMBER 2018 TRAVEL EXPENSES	\$ 65.91
126	1/21/2019	Susan Rasmussen	DECEMBER 2018 TRAVEL EXPENSES	\$ 171.99
127	1/21/2019	Kathy L. Rhode	DECEMBER 2018 TRAVEL EXPENSES	\$ 58.11
128	1/21/2019	Lisa Richter	DECEMBER 2018 TRAVEL EXPENSES	\$ 161.46
129	1/21/2019	Sharon Richardson	DECEMBER 2018 TRAVEL EXPENSES	\$ 60.06
130	1/21/2019	Carol Riedesel-Bauer	DECEMBER 2018 TRAVEL EXPENSES	\$ 102.96
131	1/21/2019	Marian Riner	DECEMBER 2018 TRAVEL EXPENSES	\$ 240.63
132	1/21/2019	Maureen Salinas	DECEMBER 2018 TRAVEL EXPENSES	\$ 175.89
133	1/21/2019	Jennifer Sammons	DECEMBER 2018 TRAVEL EXPENSES	\$ 180.18
134	1/21/2019	Marta Sandoval	DECEMBER 2018 TRAVEL EXPENSES	\$ 62.40
135	1/21/2019	Nicholas Schelle	DECEMBER 2018 TRAVEL EXPENSES	\$ 197.73
136	1/21/2019	Travis Schlenger	DECEMBER 2018 TRAVEL EXPENSES	\$ 203.97
137	1/21/2019	Michael Schmidt	DECEMBER 2018 TRAVEL EXPENSES	\$ 122.33
138	1/21/2019	Nancy L. Schofield	DECEMBER 2018 TRAVEL EXPENSES	\$ 170.82
139	1/21/2019	Denise Schwery	DECEMBER 2018 TRAVEL EXPENSES	\$ 76.05
140	1/21/2019	Mary Kay Sharkey	DECEMBER 2018 TRAVEL EXPENSES	\$ 64.74
141	1/21/2019	Mark Shea	DECEMBER 2018 TRAVEL EXPENSES	\$ 705.90
142	1/21/2019	Deb Shelton	DECEMBER 2018 TRAVEL EXPENSES	\$ 159.12
143	1/21/2019	Jill Siefken	DECEMBER 2018 TRAVEL EXPENSES	\$ 325.65
144	1/21/2019	Amanda Sigler	DECEMBER 2018 TRAVEL EXPENSES	\$ 157.17
145	1/21/2019	Rebecca Singer	DECEMBER 2018 TRAVEL EXPENSES	\$ 310.05

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146	1/21/2019	Shelbi Slack	DECEMBER 2018 TRAVEL EXPENSES	\$ 111.15
147	1/21/2019	LuAnn Slayton	DECEMBER 2018 TRAVEL EXPENSES	\$ 60.06
148	1/21/2019	Melissa Smith	DECEMBER 2018 TRAVEL EXPENSES	\$ 113.49
149	1/21/2019	Pamela Stangeland	DECEMBER 2018 TRAVEL EXPENSES	\$ 177.84
150	1/21/2019	Patricia Stauter	DECEMBER 2018 TRAVEL EXPENSES	\$ 130.65
151	1/21/2019	Donna Sump McClain	DECEMBER 2018 TRAVEL EXPENSES	\$ 225.03
152	1/21/2019	Jill Sundblad	DECEMBER 2018 TRAVEL EXPENSES	\$ 251.94
153	1/21/2019	Briana Swanson	DECEMBER 2018 TRAVEL EXPENSES	\$ 97.50
154	1/21/2019	Janelle L. Swanson	DECEMBER 2018 TRAVEL EXPENSES	\$ 304.98
155	1/21/2019	Kris Taphorn	DECEMBER 2018 TRAVEL EXPENSES	\$ 118.95
156	1/21/2019	Teresa Teague	DECEMBER 2018 TRAVEL EXPENSES	\$ 267.15
157	1/21/2019	Jane Thilges	DECEMBER 2018 TRAVEL EXPENSES	\$ 262.08
158	1/21/2019	Melissa Thilges	DECEMBER 2018 TRAVEL EXPENSES	\$ 42.90
159	1/21/2019	Amy Thompson	DECEMBER 2018 TRAVEL EXPENSES	\$ 45.24
160	1/21/2019	Joni Trammell	DECEMBER 2018 TRAVEL EXPENSES	\$ 307.32
161	1/21/2019	Jessica Ulrich	DECEMBER 2018 TRAVEL EXPENSES	\$ 356.07
162	1/21/2019	Heidi Vasher	DECEMBER 2018 TRAVEL EXPENSES	\$ 105.69
163	1/21/2019	Angela Vogel	DECEMBER 2018 TRAVEL EXPENSES	\$ 91.26
164	1/21/2019	Karen Waid	DECEMBER 2018 TRAVEL EXPENSES	\$ 345.54
165	1/21/2019	Karissa Walburg	DECEMBER 2018 TRAVEL EXPENSES	\$ 18.72
166	1/21/2019	Jodi Ward	DECEMBER 2018 TRAVEL EXPENSES	\$ 79.56
167	1/21/2019	Susan Wedel	DECEMBER 2018 TRAVEL EXPENSES	\$ 105.69
168	1/21/2019	Christine Wells	DECEMBER 2018 TRAVEL EXPENSES	\$ 398.19
169	1/21/2019	Lynn Weringa	DECEMBER 2018 TRAVEL EXPENSES	\$ 212.16
170	1/21/2019	Tori Woiwood	DECEMBER 2018 TRAVEL EXPENSES	\$ 48.36
171	1/21/2019	Jennifer Woodruff	DECEMBER 2018 TRAVEL EXPENSES	\$ 359.58
172	1/21/2019	Melissa K. Wurth	DECEMBER 2018 TRAVEL EXPENSES	\$ 482.04
173	1/21/2019	Timothy Youngdahl	DECEMBER 2018 TRAVEL EXPENSES	\$ 193.05
174	1/21/2019	Tiffanie Zaugg	DECEMBER 2018 TRAVEL EXPENSES	\$ 525.20
85760	1/21/2019	Kerry J. Altringer	DECEMBER 2018 TRAVEL EXPENSES	\$ 78.78
85769	1/21/2019	Debra S. Bennett	DECEMBER 2018 TRAVEL EXPENSES	\$ 69.81
85770	1/21/2019	Regina Blomberg	DECEMBER 2018 TRAVEL EXPENSES	\$ 249.21
85776	1/21/2019	Diane Capesius	DECEMBER 2018 TRAVEL EXPENSES	\$ 82.68
85777	1/21/2019	Heather Carr	DECEMBER 2018 TRAVEL EXPENSES	\$ 18.72
85782	1/21/2019	David Cole	DECEMBER 2018 TRAVEL EXPENSES	\$ 104.52
85790	1/21/2019	Katherine Darby	DECEMBER 2018 TRAVEL EXPENSES	\$ 175.11
85801	1/21/2019	Denise C. Gajewsky	DECEMBER 2018 TRAVEL EXPENSES	\$ 113.88
85816	1/21/2019	Vanessa Jorgensen	DECEMBER 2018 TRAVEL EXPENSES	\$ 41.34
85820	1/21/2019	Sheila King	DECEMBER 2018 TRAVEL EXPENSES	\$ 134.94
85834	1/21/2019	Patti Meyer	DECEMBER 2018 TRAVEL EXPENSES	\$ 26.52
85839	1/21/2019	Jean Mohr	DECEMBER 2018 TRAVEL EXPENSES	\$ 79.17
85843	1/21/2019	Haley Offerman	DECEMBER 2018 TRAVEL EXPENSES	\$ 154.44
85851	1/21/2019	Leslie Pralle Osborn	DECEMBER 2018 TRAVEL EXPENSES	\$ 379.86

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85861	1/21/2019	Anna Speers	DECEMBER 2018 TRAVEL EXPENSES	\$ 143.52
85867	1/21/2019	Julie Tolliver	DECEMBER 2018 TRAVEL EXPENSES	\$ 14.82
85868	1/21/2019	Jennifer L. Traub	DECEMBER 2018 TRAVEL EXPENSES	\$ 198.12
85877	1/21/2019	Joy Weier	DECEMBER 2018 TRAVEL EXPENSES	\$ 16.38
				\$ 38,292.57
1	1/21/2019	Harriet Adams	Reimburse for Food	\$ 56.00
4	1/21/2019	Felicia Anderson	Supplies/Books/LPS	\$ 144.25
13	1/21/2019	Victoria Bern	Supplies/HyVee/V.Bern	\$ 50.05
51	1/21/2019	Leslie Franzmeier	SEA Subscription Reimb.	\$ 176.00
55	1/21/2019	Brianne Goings	Supplies/Staff Reimb/B.Goings	\$ 20.02
64	1/21/2019	Valerie K. Harmon	Mileage Reimbursement/V.Baker	\$ 93.60
83	1/21/2019	Shelby Krause	Supplies/Shopko/S.Krause	\$ 32.01
108	1/21/2019	Jackie Ohl	Supplies/Books/SLP/J.Ohl	\$ 40.09
164	1/21/2019	Karen Waid	Travel/Para Class/K.Waid	\$ 54.60
85754	1/21/2019	4IMPRINT	Statewide PR - Supplies/Books	\$ 120.50
85755	1/21/2019	A&M Laundry Inc	Laundry Service/Media	\$ 104.36
85756	1/21/2019	Grant Wood AEA 10	Registration - NTC Profession	\$ 3,200.00
85756	1/21/2019	Grant Wood AEA 10	Registration ICLC/M.Fisher	\$ 295.00
85756	1/21/2019	Grant Wood AEA 10	Teacher Induction/J.Randel	\$ 4,000.00
85757	1/21/2019	AEA 267 (CL)	Registration - Coaching	\$ 25.00
85758	1/21/2019	Ahlers & Cooney, P.C.	Legal Fees	\$ 1,036.00
85759	1/21/2019	Algona Community School	Tuition - December 2018	\$ 960.00
85761	1/21/2019	AmericInn-Coralville	Lodging/TQPD/J.Swanson	\$ 291.20
85762	1/21/2019	Americinn Hotel & Suites	Lodging/H.Adams	\$ 72.80
85763	1/21/2019	Americinn Motel & Suites	Lodging/K.Ahrens	\$ 72.80
85764	1/21/2019	ASCD	ASCD Membership/H.Adams & L.M	\$ 118.00
85765	1/21/2019	Donna Bachman	Contracted OT Services - December	\$ 2,001.80
85766	1/21/2019	Steve Badow	Snow Removal/Estherville	\$ 110.00
85767	1/21/2019	Benefits, Inc.	PSF Admin Fees - January 2019	\$ 1,680.00
85768	1/21/2019	Benik Corporation	Supplies - OT/A.Vogel	\$ 56.00
85771	1/21/2019	Bomgaars	Filter/Jefferson Office	\$ 32.17
85772	1/21/2019	Blue Ribbon Pelham Waters	Water/FD Office	\$ 54.25
85773	1/21/2019	Bulk Office Supply	Media Shipping	\$ 268.50
85774	1/21/2019	Bunjies Landscaping & Lawncare, Inc.	Snow Removal/Storm Lake	\$ 892.30
85775	1/21/2019	Kim Buryanek	IPLA - Presentor/Mileage Reim	\$ 654.60
85778	1/21/2019	Casey's General Store, Inc.	Maint/Media Van Fuel	\$ 2,282.00
85779	1/21/2019	CenterPoint Energy Services Retail, Inc.	Gas/FD Office-Nov. & Dec.	\$ 837.65
85780	1/21/2019	City of Storm Lake	Water/SL Office	\$ 230.29
85781	1/21/2019	Cleaning Solutions Inc	Janitorial Services/Jefferson	\$ 160.00
85783	1/21/2019	Conference Direct	Registration/TESOL 2019 Conf	\$ 450.00
85784	1/21/2019	Consolidated Vending Services	Water Filters	\$ 255.84
85785	1/21/2019	Continental Fire Sprinkler Co	Quarterly Inspection/Storm Lake	\$ 153.75

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85785	1/21/2019	Continental Fire Sprinkler Co	Repairs/Storm Lake Office/Sprinkler	\$ 740.00
85786	1/21/2019	Culligan - Storm Lake	Softner Rent - January 2019	\$ 26.00
85786	1/21/2019	Culligan - Storm Lake	Water/Storm Lake Office	\$ 79.50
85787	1/21/2019	Culligan Water Conditioning, Inc. - Boone	Water/Jefferson Office	\$ 18.06
85788	1/21/2019	Culligan Water Conditioning (S)	Water/LPS	\$ 61.20
85789	1/21/2019	Custom Creations	Prairie Lakes - Clothing PLAEA	\$ 1,091.00
85791	1/21/2019	Dump It Sanitation & Recycling, Inc.	Garbage Hauling/Algona	\$ 59.50
85792	1/21/2019	Echo Group, Inc.	Lighting/Agency	\$ 258.39
85793	1/21/2019	Econo Lodge - Bettendorf	Lodging/T.Zaugg	\$ 67.19
85794	1/21/2019	Emmet County Public Health	Tuition - Sept. thru Dec. 2018	\$ 6,300.00
85795	1/21/2019	Enable Mart/School Health	Office Supplies/Cardiac Machine	\$ 426.93
85796	1/21/2019	Ferguson Enterprises, Inc.	Plumbing Parts	\$ 135.23
85797	1/21/2019	Fick's Ace Hardware	Keys/Estherville Office	\$ 32.85
85798	1/21/2019	Fire Proof Plus, Inc.	Annual Inspection/SL Office	\$ 94.00
85799	1/21/2019	Follett School Solutions	Lending Library Supplies	\$ 2,586.22
85800	1/21/2019	Forest City YMCA	Tuition - Nov. 2018 & Jan. 2019	\$ 1,620.00
85802	1/21/2019	Garbage Hauling Service	Garbage Services/Storm Lake Office	\$ 198.00
85803	1/21/2019	Global Reach Internet Productions, LLC	Monthly Web Hosting	\$ 750.77
85804	1/21/2019	Griffin Landscapes, Inc.	Snow Removal/FD Office	\$ 185.00
85805	1/21/2019	Trent Grundmeyer	Contracted Service - December	\$ 714.66
85806	1/21/2019	Guilford Publications	Supplies - Early Childhood Grant	\$ 476.00
85806	1/21/2019	Guilford Publications	Supplies/Book/M.Lentsch	\$ 29.75
85807	1/21/2019	Harris School Solutions	Payroll & AP Forms	\$ 518.15
85808	1/21/2019	Hawkeye Cleaning Services, LLC	Janitorial Services/FD Office	\$ 1,050.50
85809	1/21/2019	Hope Haven, Inc.	Janitoial/Estherville Office	\$ 148.75
85810	1/21/2019	Hy-Vee Food Stores	Supplies/Food-Student Incentives	\$ 40.43
85811	1/21/2019	IASB	IASB Convergence Registrations	\$ 1,165.00
85812	1/21/2019	Iowa Central Community College	Room Rental/ICCC - Regional Mtg	\$ 75.00
85813	1/21/2019	Iowa Communications Network	ICN-Account AEA00000028	\$ 2,878.59
85813	1/21/2019	Iowa Communications Network	Telephone/AgencyAEA0008	\$ 5,785.50
85813	1/21/2019	Iowa Communications Network	Telephone/FTDGAEA01	\$ 97.48
85814	1/21/2019	Ia Braille & Sight Saving Sch	Contracted Service - December	\$ 26,150.10
85815	1/21/2019	Ipswitch Inc.	Technology Supplies - WhatsUp	\$ 966.90
85816	1/21/2019	Vanessa Jorgensen	Supplies/Classroom/V.Jorgensen	\$ 27.29
85817	1/21/2019	JumpCloud	Software Purchasing Agreement	\$ 1,593.50
85818	1/21/2019	Kelmar Catering, LLC	Meals Superintendents Mtg.	\$ 358.00
85819	1/21/2019	Kidstop Childcare	Tuition - January 2018	\$ 390.00
85821	1/21/2019	Kossuth Regional Health Ctr	Tuition - Oct. & Dec. 2018	\$ 7,200.00
85822	1/21/2019	Brady L. Krischel	December Hours	\$ 125.88
85823	1/21/2019	Lake Mills Community Preschool	Tuition - December 2018	\$ 520.00
85824	1/21/2019	Larsen Electric Motor Service, Inc	Bearings & Labor	\$ 54.75
85824	1/21/2019	Larsen Electric Motor Service, Inc	Repair Capacitor	\$ 23.75
85825	1/21/2019	Laser Resorces	PrinterCloud - SAS XPack 5&10	\$ 1,400.00

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85826	1/21/2019	The Laurens House of Print	Media Production Services	\$ 35.00
85827	1/21/2019	LGL Consulting, LLC	Honorarium & Expenses	\$ 3,755.65
85828	1/21/2019	Library Store	Lending Library Supplies	\$ 187.76
85829	1/21/2019	Little Mustangs	Tuition - January 2019	\$ 390.00
85830	1/21/2019	Making Reading Heavenly	Supplies/Books	\$ 131.14
85831	1/21/2019	Maynard Kuhnes Cleaning Servicers LLC	Cleaning/Storm Lake Office	\$ 1,429.51
85832	1/21/2019	McConnell's Custom Construction	Snow Removal/Jefferson Office	\$ 60.00
85833	1/21/2019	Menards	Lights/FD Office/Main Lobby	\$ 169.45
85833	1/21/2019	Menards	Maintenance Supplies/Algona	\$ 199.95
85833	1/21/2019	Menards	Office Supplies/FD Office	\$ 71.97
85835	1/21/2019	Midamerican Energy Company	Utilities/FD Office	\$ 1,024.22
85835	1/21/2019	Midamerican Energy Company	Utilities/SL Office	\$ 1,134.52
85836	1/21/2019	Mid-Sioux Opportunity	Tuition - Nov. & Dec. 2018	\$ 12,231.25
85837	1/21/2019	Mid States Audio, Inc.	Technology Supplies/Atlas Sound	\$ 225.00
85838	1/21/2019	Mike's Lawn Service, Inc.	Sept & Oct services - SL Office	\$ 150.00
85840	1/21/2019	National Science Teacher Association	Classroom Materials/LPS	\$ 35.15
85841	1/21/2019	North Iowa CSD	Tuition - Sept. thru Dec. 2018	\$ 720.00
85842	1/21/2019	Oaktree Products, Inc.	Ear Tips for Audiology Dept.	\$ 70.46
85844	1/21/2019	Palo Alto Community Health	Tuition - December 2018	\$ 3,750.00
85845	1/21/2019	Patten Enterprises LLC	Snow Removal/Algona Office	\$ 45.00
85846	1/21/2019	Pederson Sanitation	Garbage Hauling/FD Office/January	\$ 110.00
85847	1/21/2019	Perfection Learning Corp	Lending Library Supplies	\$ 309.38
85848	1/21/2019	Plunkett's Pest Control	Pest Control/Poky	\$ 133.60
85849	1/21/2019	Pocahontas Ford Lincoln Mercury	Van Maitenance	\$ 60.71
85850	1/21/2019	Lori Porsch	Contracted Service - December	\$ 1,400.00
85852	1/21/2019	Pro Ed	Supplies/SLP/J.Tolliver	\$ 35.00
85853	1/21/2019	Ramada Inn	Lodging/J.Randel	\$ 85.09
85853	1/21/2019	Ramada Inn	Lodging/NTC Conference	\$ 340.36
85854	1/21/2019	Redleaf Press	Supplies/Book/STEM	\$ 47.90
85855	1/21/2019	Mark Reynolds	Substitute Van Driving/M.Reynolds	\$ 94.25
85856	1/21/2019	RO*CO Films International	Media Production Supplies	\$ 105.00
85857	1/21/2019	Scholastic	Supplies/Books/ELLCO Grant	\$ 827.04
85858	1/21/2019	Seton Grade School	Tuition - January 2019	\$ 153.34
85859	1/21/2019	Sign Works Ink	Remove & Install signs at Algona	\$ 96.30
85860	1/21/2019	Sloan Plumbing, Heating & A/C	Plumbing/Jefferson Office	\$ 331.79
85862	1/21/2019	Springhill Suites-Marriott	Lodging/J.Meyer	\$ 72.80
85862	1/21/2019	Springhill Suites-Marriott	Lodging/R.Montag	\$ 72.80
85862	1/21/2019	Springhill Suites-Marriott	Lodging/T.Zaugg	\$ 72.80
85863	1/21/2019	Sterling	Technology Supplies - Chromebook	\$ 7,623.00
85864	1/21/2019	Storey Kenworthy	Business Office table	\$ 647.78
85865	1/21/2019	Stratus Audio, Inc.	Interpretation Services	\$ 997.29
85866	1/21/2019	Paul Tedesco	Contracted Service - December	\$ 875.00
85869	1/21/2019	Tri-County Lumber	Materials - Jefferson Apartment	\$ 114.15

Prairie Lakes AEA
Board Bills
January 21, 2019

Check	Check Date	Payable To	Description	Amount
85870	1/21/2019	Upper Des Moines Opportunity	Tuition - Nov. & Dec. 2018	\$ 8,192.00
85871	1/21/2019	United Parcel Service	Media Production - Shipping	\$ 47.12
85872	1/21/2019	Veritiv	Media Production Supplies	\$ 3,840.54
85872	1/21/2019	Veritiv	Paper - Agency Wide	\$ 2,644.00
85873	1/21/2019	Wallace's Water Condition Inc	Water/Emmetsburg	\$ 10.50
85874	1/21/2019	The Water Connection	Water/Algona Office	\$ 26.50
85875	1/21/2019	Webster City CSD	ICLC Conference	\$ 1,037.00
85876	1/21/2019	Webster County Health Department	Tuition - December 2018	\$ 1,739.64
85876	1/21/2019	Webster County Health Department	Tuition - November 2018	\$ 1,575.20
85878	1/21/2019	Wells Fargo	Meals/Lodging	\$ 247.51
85879	1/21/2019	Wells Fargo	Lodging Sioux City Feb/2019	\$ 230.60
85879	1/21/2019	Wells Fargo	Job Openings - Advertisements	\$ 509.58
85879	1/21/2019	Wells Fargo	Board meeting supplies	\$ 27.93
85879	1/21/2019	Wells Fargo	RA - Registrations	\$ 649.00
85880	1/21/2019	Weston Woods Studios	Lending Library Supplies	\$ 81.70
85881	1/21/2019	WINDSTREAM	Telephone/Poky Office	\$ 38.95
85881	1/21/2019	WINDSTREAM	Telephone/SL Office	\$ 237.60
85882	1/21/2019	Winnebago County Public Health	Tuition - Oct. & Dec. 2018	\$ 11,438.39
85883	1/21/2019	Wood's Super Market	Ed Zimmerle Retirement Party	\$ 35.00
85884	1/21/2019	Wranglin Grace Catering	Meals/Board Development Mtg.	\$ 129.87
85885	1/21/2019	Xerox	Media Production Services	\$ 5,550.22
85906	1/21/2019	B2K Solutions, Ltd.	AEPS Training for Early Access	\$ 4,500.00
85907	1/21/2019	Benefits, Inc.	Claims paid 1/14 to 1/18	\$ 1,487.57
85908	1/21/2019	Lauren Spurling	Partial Refund - Sub Authoriz	\$ 50.00
85909	1/21/2019	Storm Lake CSD	2nd Quarter Title III Claim	\$ 5,523.21
				<u>\$ 177,872.29</u>
Total January 2019 Bills				<u>\$ 248,385.68</u>

Prairie Lakes AEA
 January 21, 2019
 Budget Summary for
 December 31, 2018

REVENUE SUMMARY

	Budget	December	YTD	Balance
Special Education Support	20,153,172.93	1,032,411.18	7,453,337.72	12,699,835.21
Media Services	2,529,537.22	223,471.17	919,334.24	1,610,202.98
Educational Services	2,916,187.56	229,423.44	999,799.67	1,916,387.89
Special Education Instruction	1,305,000.00	28,500.00	114,000.02	1,190,999.98
Other Income	-	51,320.72	70,780.82	
Self Partial Fund Health Ins.	-	13,458.58	80,956.10	
Totals	26,903,897.71	1,578,585.09	9,638,208.57	17,346,645.24

EXPENDITURE SUMMARY

	Budget	Admin.	December	YTD	Balance
Administration		1,200,000.00	82,595.05	637,234.23	562,765.77
Sp Educ Support	20,153,172.93	(948,000.00)	1,355,641.26	6,570,829.60	12,634,343.33
Media Services	2,529,537.22	(120,000.00)	127,474.28	746,536.48	1,663,000.74
Educational Services	2,916,187.56	(120,000.00)	332,993.94	1,192,568.52	1,603,619.04
Sp Educ Instruction	1,305,000.00	(12,000.00)	109,205.40	446,155.50	846,844.50
Self Partial Fund Health Ins.	-	-	4,007.56	84,622.10	
Totals	26,903,897.71	-	2,011,917.49	9,677,946.43	17,310,573.38

Net income (loss) (433,332.40) (39,737.86)

Percentage of budget spent 36%
 Percentage of budget unspent 64%

Prairie Lakes AEA
 January 15, 2018
 Budget Summary for
 December 31, 2017

REVENUE SUMMARY

	Budget	December	YTD	Balance
Special Education Support	19,461,124.00	1,754,186.12	7,457,671.81	12,003,452.19
Media Services	2,599,164.00	236,096.53	910,773.25	1,688,390.75
Educational Services	2,881,550.00	201,166.52	960,311.52	1,921,238.48
Special Education Instruction	348,579.00	28,500.00	114,000.00	234,579.00
Other Income	-	27,515.00	99,340.00	
Self Partial Fund Health Ins.	-	-	-	
Totals	25,290,417.00	2,247,464.17	9,542,096.58	15,748,320.42

EXPENDITURE SUMMARY

	Budget	Admin.	December	YTD	Balance
Administration		1,200,000.00	84,698.63	621,056.68	578,943.32
Sp Educ Support	19,461,124.00	(948,000.00)	2,176,985.71	6,682,106.21	11,831,017.79
Media Services	2,599,164.00	(120,000.00)	126,887.42	805,620.88	1,673,543.12
Educational Services	2,881,550.00	(120,000.00)	203,229.42	1,027,622.21	1,733,927.79
Sp Educ Instruction	348,579.00	(12,000.00)	91,284.94	399,455.47	(62,876.47)
Self Partial Fund Health Ins.	-	-	8,290.58	76,858.44	
Totals	25,290,417.00	-	2,691,376.70	9,612,719.89	15,754,555.55

Net income (loss) (443,912.53) (70,623.31)

Percentage of budget spent 38%
 Percentage of budget unspent 62%

CASH SUMMARY		2018	2017
Checking Account Balance-Book balance at	12/31/18	\$ 3,130,684.27	\$ 2,708,636.71
Checking Account Balance-Bank Statement balance at	12/31/18	\$ 3,696,491.28	\$ 3,112,096.98
Less: Outstanding Checks		\$ (565,807.01)	\$ (403,460.27)
Bank statement reconciled to book balance:	12/31/18	\$ 3,130,684.27	\$ 2,708,636.71
Less: Monthly bills	01/21/19	\$ (248,385.68)	\$ (238,586.61)
Less: Monthly Payroll	01/18/19	\$ (1,615,295.86)	\$ (1,597,256.68)
Adjusted Checking Account Balance		\$ 1,267,002.73	\$ 872,793.42
Add: Deposits	01/01/19 to 01/16/19	\$ 60,396.06	\$ 29,775.86
Pending - State Aide/TSS/TQ/Juv Home		\$ 1,426,001.00	\$ 1,412,799.00
Cash balance		\$ 2,753,399.79	\$ 2,315,368.28
		Bank Balance 12/31/2018	Bank Balance 12/31/2017
<u>Wells Fargo Bank, N.A.:</u>			
Commercial Checking account		\$ 3,449,605.13	\$ 2,855,680.29
Merchant account		\$ 58,290.93	\$ 18,728.49
Commercial Checking account - PSF		\$ 188,595.22	\$ 237,688.20
		\$ 3,696,491.28	\$ 3,112,096.98